

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG
 ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1996

JUNE 30, 1995.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. SKEEN, from the Committee on Appropriations,
 submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 1976]

The Committee on Appropriations submits the following report in
 explanation of the accompanying bill making appropriations for Ag-
 riculture, Rural Development, Food and Drug Administration, and
 Related Agencies for fiscal year 1996.

SUMMARY OF ESTIMATES AND RECOMMENDATIONS

[In thousands of dollars]

	FY 1995 appro- piation	FY 1996 esti- mates	FY 1996 rec- ommendation	1996 recommendation compared with	
				FY 1995	Estimate
Title I—Agricultural Programs	\$21,086,242	\$16,151,090	\$15,911,587	— \$5,174,655	— \$239,503
Title II—Conservation Programs	2,645,871	3,003,759	2,725,448	+79,577	— 278,311
Title III—Rural Economic and Com- munity Development Programs	2,338,869	2,721,974	2,241,578	— 97,291	— 480,396
Title IV—Domestic Food Programs	40,249,809	42,090,867	39,271,822	— 977,987	— 2,819,045
Title V—Foreign Assistance and Re- lated Programs	1,752,819	1,495,496	1,626,287	— 126,532	+130,791
Title VI—Related Agencies and FDA ..	990,585	958,807	946,212	— 44,373	— 12,595
Subtotal	69,064,195	66,421,993	62,722,934	— 6,341,261	— 3,699,059
Scorekeeping adjustments	— 1,059,949	+491,451	— 219,666	+840,283	— 711,117
Total	68,004,246	66,913,444	62,503,268	— 5,500,978	— 4,410,176

For discretionary programs the Committee provides \$13,259,970,000, which is \$135,571,000 less than the amount available in fiscal year 1995 and \$1,632,522,000 less than the budget request.

For mandatory programs, which account for almost 80 percent of the bill, the Committee provides \$49,243,298,000, a decrease of \$5,365,407,000 below the amount available for fiscal year 1995 and \$2,777,654,000 below the budget request.

INTRODUCTION

To meet the challenge of balancing the budget by the year 2002, the Committee contributed its fair share to the goal. Almost every account in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Bill is reduced below comparable levels in 1995.

The U.S. Department of Agriculture is undergoing a massive reorganization which includes closing thousands of county level field offices, consolidating field services, and consolidating headquarters agencies. The Department is far ahead of most other Federal agencies in its attempt to control Federal personnel ceilings and costs.

The Committee established priorities for meat and poultry inspection; conservation; and the women, infants, and children nutrition program. These activities received the only significant increases in the bill. The Consolidated Farm Service Agency and rural development agencies salaries and expenses accounts received smaller increases to pay for the costs of office closings and personnel transfers. These are one-time costs which will provide long-term savings from fewer field offices and staff.

The Committee has made difficult and painful choices to stay within its budget allocation. Many good research projects, conservation programs, rural development programs, and feeding programs were eliminated or reduced. While there were hundreds of requests for new projects and increased funding from the Administration, Members of Congress, and the public, the Committee was unable to provide many of the worthwhile requests. The outlook for future funding increases is doubtful and the Committee was reluctant to start many new programs. The Committee tried to maintain only those functions within this bill that are essential for the health and safety of consumers and the continued prosperity of rural America and our farming industry.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

1995 appropriation	\$2,801,000
1996 budget estimate	¹ 2,886,000
Provided in the bill	10,227,000
Comparison:	
1995 appropriation	+7,426,000
1996 budget estimate	+7,341,000

¹ The 1996 budget proposed that all Assistant and Under Secretary offices be funded in a single account under the Office of the Secretary.

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, Chief Financial Officer, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201–2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c–450g.

InfoShare.—This activity is a partnership among the agricultural, rural development, and natural resource agencies of USDA to improve information resources management, data sharing, and communications and thereby providing improved and efficient service to customers at the county-based USDA Service Centers.

COMMITTEE PROVISIONS

For the Office of the Secretary the Committee provides an appropriation of \$10,227,000, an increase of \$7,426,000 above the amount available for fiscal year 1995 and an increase of \$7,341,000 above the budget request.

For the InfoShare program the Committee provides \$7,500,000, an increase of \$7,500,000 above the amount available for fiscal year 1995 and a decrease of \$41,118,000 below the budget request.

The budget request for InfoShare totals \$48,618,000, of which \$43,463,000 is for information technology. However, the contract for telecommunications, which represents most of the fiscal year 1996 InfoShare request, is not scheduled to be let until late in the fiscal year. Therefore, the Committee provision of \$7,500,000 is intended to provide sufficient funding for the program for that portion of the fiscal year in which the contract will be in effect. The Committee notes that additional resources for continued implemen-

tation of InfoShare remain available through individual agencies participating in the program.

The Committee is convinced that a modern and efficient data processing and information sharing program is essential to the Department's future. Such a program is vital to the reorganization of the Department, itself, as well as to the services which must be provided to farmers, ranchers, and residents of rural America who use the Department's programs. InfoShare was begun as the Department's main effort to accomplish these objectives. The Committee is concerned, however, that the focus and goals of the InfoShare program have changed and that InfoShare is not now able to deliver on its original promise. A report issued May 4, 1995, by the Office of the Inspector General (OIG) confirms the existence of serious problems in the InfoShare program.

The Committee believes timely and decisive action must be taken at the highest level in the Department in order to ensure that the objectives of InfoShare are realized with the most efficient use of extremely scarce resources.

The Committee directs that the sum of \$7,500,000 for InfoShare be appropriated to the Office of the Secretary of Agriculture and be under his personal control. In doing so, the Committee strongly believes that this critical program, which requires the cooperation of several departmental agencies, can be most efficiently implemented under the direct authority of the Secretary of Agriculture. The Committee notes that the Secretary, in his first appearance before a congressional committee following his confirmation, assured the Committee that he would take a personal interest in the success of the InfoShare program.

The Committee wishes to make clear that it has a high regard for the abilities and professionalism of those USDA employees who are part of the InfoShare program. However, the direct authority of the Secretary is needed to make best use of the Department's resources for this project.

The Committee also notes that the OIG report confirmed that the missions of the Information Resources Management (IRM) team and the InfoShare office appear to duplicate each other. In order to make the best use of scarce resources, the Committee expects the Secretary to evaluate the benefits of merging the InfoShare and IRM offices in order to achieve maximum efficiencies.

The Committee also expects the Secretary to develop a detailed implementation plan for InfoShare providing specific target dates for acquisition and installation of equipment and services, as well as a specific schedule for those agencies and offices to become full participants in InfoShare.

The Committee also directs that no more than \$50,000 be used for travel-related expenses of the InfoShare program in fiscal year 1996.

EXECUTIVE OPERATIONS

Executive Operations was established as a result of the reorganization of the Department to provide a support team for USDA policy officials and selected departmentwide services. Activities under the Executive Operations include the Chief Economist, the

National Appeals Division, and the Office of Budget and Program Analysis.

OFFICE OF THE CHIEF ECONOMIST

1995 appropriation	¹
1996 budget estimate	\$4,240,000
Provided in the bill	3,748,000
Comparison:	
1995 appropriation	+3,748,000
1996 budget estimate	– 492,000

¹The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. The Office of the Chief Economist and its functions were transferred to this account from the Office of the Assistant Secretary for Economics and from the Economic Research Service, National Agricultural Statistics Service, and World Agricultural Outlook Board.

The Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of Department policies and programs. The Office serves as the single focal point for the Nation's economic intelligence and analysis, risk assessment, and cost-benefit analysis related to domestic and international food and agriculture, and is responsible for coordination and review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

COMMITTEE PROVISIONS

For the Office of the Chief Economist the Committee provides an appropriation of \$3,748,000, an increase of \$3,748,000 above the amount available for fiscal year 1995 and a decrease of \$492,000 below the budget request.

NATIONAL APPEALS DIVISION

1995 appropriation	¹
1996 budget estimate	\$12,166,000
Provided in the bill	11,846,000
Comparison:	
1995 appropriation	+11,846,000
1996 budget estimate	– 320,000

¹The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. The National Appeals Division functions previously handled in the Rural Housing and Community Development Service, Consolidated Farm Service Agency, and Natural Resources Conservation Service were transferred to this account.

The National Appeals Division conducts administrative hearings and reviews adverse program decisions made by the Consolidated Farm Service Agency, the Natural Resources Conservation Service, and the Rural Housing and Community Development Service.

COMMITTEE PROVISIONS

For the National Appeals Division the Committee provides an appropriation of \$11,846,000, an increase of \$11,846,000 above the amount available for fiscal year 1995 and a decrease of \$320,000 below the budget request.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

1995 appropriation	\$5,795,000
1996 budget estimate	5,899,000
Provided in the bill	5,899,000

Comparison:

1995 appropriation	+104,000
1996 budget estimate	

The Office of Budget and Program Analysis provides direction and administration of the Department's budgetary functions including development, presentation, and execution of the budget; reviews program and legislative proposals for program, budget, and related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the decision-making process; provides department-wide coordination for and participation in the presentation of budget related matters to the committees of the Congress, the media, and interested public. The Office also provides department-wide coordination of the preparation and processing of regulations and legislative programs and reports.

COMMITTEE PROVISIONS

For the Office of Budget and Program Analysis the Committee provides an appropriation of \$5,899,000, an increase of \$104,000 above the amount available for fiscal year 1995 and the same as the budget request.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

1995 appropriation	¹
1996 budget estimate	\$724,000
Provided in the bill	
Comparison:	
1995 appropriation	
1996 budget estimate	- 724,000

¹The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. The Office of Small and Disadvantaged Business Utilization function was transferred from Departmental Administration to Executive Operations

The Office of Small and Disadvantaged Business Utilization oversees direction and implementation of sections 8 and 15 of the Small Business Act and oversees procurement to assure maximum participation of small and disadvantaged businesses in the Department's contracts for goods and services; and directs and monitors USDA agencies' compliance in promoting full and open competition in the Department's contracting process.

COMMITTEE PROVISIONS

The Committee does not provide a separate appropriation for the Office of Small and Disadvantaged Business Utilization. The Committee has included \$707,000 in the Departmental Administration appropriation to continue the function of this Office. This is the same level of funding for these activities that was provided in fiscal year 1995.

CHIEF FINANCIAL OFFICER

1995 appropriation	¹ \$580,000
1996 budget estimate	4,952,000
Provided in the bill	4,133,000

Comparison:

1995 appropriation	+3,553,000
1996 budget estimate	-819,000

¹ The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for the Office of Finance and Management are excluded.

Under the Chief Financial Officers Act of 1990, the Chief Financial Officer is responsible for the continued direction and oversight of the Department's financial management operations and systems. The Office supports the Chief Financial Officer in carrying out the dual roles of the Chief Financial Management Policy Officer and the Chief Financial Management Advisor to the Secretary and mission area heads. The Office provides leadership, expertise, coordination, and evaluation in the development of Department and agency programs in financial management, accounting, travel, Federal assistance, and performance measurements. It is also responsible for the management and operation of the National Finance Center. The Office also provides budget, accounting, and fiscal services to the Office of the Secretary, Departmental Staff Offices, Office of Communications, and Executive Operations.

COMMITTEE PROVISIONS

For the Office of the Chief Financial Officer the Committee provides an appropriation of \$4,133,000, an increase of \$3,553,000 above the amount available for fiscal year 1995 and a decrease of \$819,000 below the budget request.

The Committee has become aware that the Department has procured a commercial off-the-shelf financial management software package for providing general ledger and accounting transactional support for use by customers of its National Finance Center (NFC). The Committee is concerned that this package was procured without having a complete and thorough cost-benefit analysis and that this package may replicate already developed and owned financial management systems software operated at the NFC. The Committee is also aware that USDA is considering the procurement of additional off-the-shelf systems or modules for use by the NFC to perform other functions such as purchasing, property, travel, billings, and collections.

The Committee directs the Secretary of Agriculture not to use any funds made available from this Act or existing USDA working capital funds for the procurement or implementation of these additional systems and functions or for the expansion of the current commercial Foundation Financial Information System contract, beyond the acquisition or development of general ledger and accounting support software, until the USDA has submitted, with a certification by the Secretary, a detailed and complete cost-benefit analysis to the Committees on Appropriations on doing any further software systems expansion or work commercially or through identical or comparable in-house methods. This analysis shall include as an option the use of a computer aided software engineering tool to improve the systems currently in use at the NFC.

The Committee also directs USDA to actively market all available services at the NFC to all other Federal agencies or entities through cross servicing or franchising arrangements since such cross servicing arrangements in the past have been documented to

save millions of dollars. Because of the magnitude of such savings, USDA is directed to provide all the necessary full-time equivalents to the NFC in order to accomplish any workload expansions.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

1995 appropriation	\$596,000
1996 budget estimate	¹ 616,000
Provided in the bill	596,000
Comparison:	
1995 appropriation	
1996 budget estimate	— 20,000

¹ The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Administration directs and coordinates the work of the Departmental staff in carrying out the laws enacted by the Congress relating to real and personal property management, automated data processing, personnel management, equal opportunity and civil rights programs, development and dissemination of departmental information resources management and other general administrative functions. Additionally, the Office of the Assistant Secretary for Administration is responsible for certain activities financed under the Department's Working Capital Fund (7 U.S.C. 2235).

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Administration the Committee provides an appropriation of \$596,000, the same as the amount available for fiscal year 1995 and a decrease of \$20,000 below the budget request.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

1995 appropriation	\$135,193,000
1996 budget estimate	135,774,000
Provided in the bill	135,774,000
Comparison:	
1995 appropriation	+581,000
1996 budget estimate	

Rental Payments.—Annual appropriations are made to agencies of the Federal government so that they can pay the General Services Administration (GSA) fees for rental of space and for related services.

The budget estimates for rental payments are based on GSA's projection of what it will bill agencies in the budget year. The agencies have no influence or control over how GSA sets their rates. Rental payments paid by agencies go into a fund to be used for other real property management operations, such as rental of buildings, repairs and alterations, and acquisition of new facilities. The concept behind rental payments is that all agencies pay the market value of the space they occupy, so that GSA will have the funds available to provide, in an efficient and coordinated way, for overall Federal space needs. However, in practice this concept means that agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space and to cover the cost of vacant space in GSA's inventory.

Building Operations and Maintenance.—On October 1, 1984, GSA delegated the operations and maintenance functions for the buildings in the D.C. complex to the Department. This activity provides departmental staff and support services to operate, maintain, and repair the buildings in the D.C. complex. Since 1989, when the GSA delegation expired, USDA has been responsible for managing, operating, maintaining, repairing, and improving the Headquarters complex, which encompasses 14.1 acres of ground and four buildings containing approximately three million square feet of space occupied by approximately 8,000 employees.

Strategic Space Plan.—The Department's Headquarters staff is presently housed in a four-building government-owned complex in downtown Washington, D.C. and in leased buildings in the metropolitan Washington area. In 1995, USDA initiated a plan to improve the delivery of USDA programs to the American people, including streamlining the USDA organization. A high priority goal in the Secretary's plan is to improve the operation and effectiveness of the USDA Headquarters in Washington. To implement this goal, a strategy for efficient re-allocation of space to house the restructured Headquarters agencies in modern and safe facilities has been proposed. This USDA Strategic Space Plan will correct serious problems USDA has faced in its facility program including the inefficiencies of operating out of scattered leased facilities and serious safety hazards which exist in the huge Agriculture South Building.

COMMITTEE PROVISIONS

For agriculture buildings and facilities and rental payments to GSA the Committee provides an appropriation of \$135,774,000, an increase of \$581,000 above the amount available for fiscal year 1995 and the same as the budget request.

Included in this amount is \$89,971,000 for rental payments to GSA, an increase of \$2,014,000 above the amount available for fiscal year 1995 and the same as the budget request. The Committee includes language permitting the Secretary of Agriculture to transfer a share of this appropriation to or from another agency's appropriation. The Committee expects that such a transfer will be proposed only when a move into GSA rental space becomes necessary during the year or when GSA space is vacated in favor of commercial space. This flexibility is provided to allow for incremental changes in the amount of GSA space and is not intended merely to finance changes in GSA billing.

Also included in the total amount is \$20,216,000 for building operations and maintenance and \$25,587,000 to complete the facility in Beltsville.

The Committee remains extremely concerned about the safety of the employees located at the Headquarters Complex. Initial funding was provided in fiscal year 1995 to begin the Department's Strategic Space Plan. This is a seven-year plan to address the serious health and safety hazards which exist in the Agriculture South Building as well as streamline and improve the operation and delivery of programs at Headquarters in Washington. Funding is included to continue this project.

ADVISORY COMMITTEES (USDA)

1995 appropriation	\$928,000
1996 budget estimate	885,000
Provided in the bill	800,000
Comparison:	
1995 appropriation	- 128,000
1996 budget estimate	- 85,000

The Department of Agriculture utilizes advisory committees to obtain expertise which is not feasible to maintain on the permanent staff. Because of the broad range of missions performed by the Department and the complexity of skills needed in this performance from time to time, it is essential to call upon experts in academia and the private sector to supplement the expertise of departmental employees in order to assure that decisions on major national issues are based upon state-of-the-art information.

COMMITTEE PROVISIONS

For advisory committees of the Department of Agriculture, excluding the Forest Service, the Committee provides an appropriation of \$800,000, a decrease of \$128,000 below the amount available for fiscal year 1995 and a decrease of \$85,000 below the budget request. The Committee expects the Secretary to fund only those advisory committees that provide the most critical information to the Department.

HAZARDOUS WASTE MANAGEMENT

1995 appropriation	\$15,700,000
1996 budget estimate	15,700,000
Provided in the bill	15,700,000
Comparison:	
1995 appropriation	
1996 budget estimate	

Under the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act, the Department has the responsibility to meet the same standards regarding the storage and disposition of hazardous waste as private businesses. The Department is required to contain, clean up, monitor, and inspect for hazardous waste in areas covered by the Department or within departmental jurisdiction.

COMMITTEE PROVISIONS

For hazardous waste management the Committee provides an appropriation of \$15,700,000, the same as the amount available for fiscal year 1995 and the same as the budget request. The Committee expects these funds to be used for the highest priority projects that pose the greatest risk. The Committee also expects that minor work be absorbed within agency budgets.

Bill language is included which provides that investigative and cleanup costs will be paid from this account and operations and maintenance costs will be paid from the Commodity Credit Corporation.

DEPARTMENTAL ADMINISTRATION

1995 appropriation	¹ \$26,187,000
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1996 budget estimate	87,347,000
Provided in the bill	27,986,000
Comparison:	
1995 appropriation	+1,799,000
1996 budget estimate	-59,361,000

¹The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for the Office of Finance and Management are included. Funds appropriated for the Safety and Health Management function and Civil Rights Enforcement function, which were originally appropriated under other accounts, are excluded.

This appropriation provides funding for the following activities:

Personnel.—This office provides leadership, coordination, and monitoring of the personnel management programs in the Department and provides liaison with the Office of Personnel Management. The office also develops policies for safety and occupational health management, provides technical advice and monitors compliance.

Operations.—This office provides staff and support services in the management of real and personal property, procurement, contracts, supplies, motor vehicles, and internal energy conservation. Under an agreement with GSA, it operates and provides maintenance, security and services to the Washington, D.C. building complex.

Information Resources Management.—This office designs, implements and revises systems, processes, work methods, and techniques to improve the management of information resources and the operational effectiveness of USDA. This office also provides telecommunications and ADP services to USDA agencies and staff offices, including the Fort Collins Computer Center and the Kansas City Computer Center.

Civil Rights Enforcement.—This office develops overall policies and manages the Department's civil rights and equal opportunity programs; plans and coordinates the participation of women, minorities, and disabled persons in departmental programs; and directs departmental efforts to further the participation of minority colleges and universities in USDA programs.

Administrative Law Judges and Judicial Officer.—The Administrative Law Judges hold rule-making and adjudicatory hearings and issue initial decisions and orders, and the Judicial Officer serves as final deciding officer in regulatory proceedings.

Disaster Management and Coordination.—This staff is the focal point of contact with the Federal Emergency Management Agency and all other Federal departments and agencies having emergency program responsibilities and provides oversight, coordination, and guidance to USDA agencies in their emergency planning, training, and activities.

Small and Disadvantaged Business Utilization.—This activity oversees direction and implementation of sections 8 and 15 of the Small Business Act and oversees procurement to assure maximum participation of small and disadvantaged businesses in the Department's contracts for goods and services; and directs and monitors USDA agencies' compliance in promoting full and open competition in the Department's contracting process.

Modernization of Administration Processes.—This staff works with USDA agencies and the Chief Financial Officer to reengineer administrative processes in the Department to achieve efficiencies

and integrate these processes with a modern accounting and financial reporting system.

COMMITTEE PROVISIONS

For Departmental Administration the Committee provides an appropriation of \$27,986,000, an increase of \$1,799,000 above the amount available for fiscal year 1995 and a decrease of \$59,361,000 below the budget request.

The appropriation for the InfoShare program, which was part of the fiscal year 1996 request for this account, has been included in the appropriation for the Office of the Secretary.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

1995 appropriation	\$1,764,000
1996 budget estimate	¹ 1,838,000
Provided in the bill	3,797,000
Comparison:	
1995 appropriation	+2,033,000
1996 budget estimate	+1,959,000

¹The 1996 budget proposed that this Office be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Congressional Relations maintains liaison with the Congress and White House on legislative matters. It also provides for overall direction and coordination in the development and implementation of policies and procedures applicable to the Department's intra and inter-governmental relations.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Congressional Relations the Committee provides \$3,797,000.

The Committee has consolidated all congressional affairs activities of the Department, excluding the Forest Service, into a single account. The Committee is concerned about the duplication of effort that occurs when three congressional liaison personnel—one from the Secretary's Office, one from the Department's Congressional Affairs Office, and one from the agency's congressional affairs staff—attend the same meeting. The Committee believes this consolidation of staff and funding will result in greater efficiency and less overlap of congressional liaison activities.

OFFICE OF COMMUNICATIONS

1995 appropriation	\$8,198,000
1996 budget estimate	8,890,000
Provided in the bill	8,198,000
Comparison:	
1995 appropriation	
1996 budget estimate	- 692,000

The Office of Communications provides direction, leadership, and coordination in the development and delivery of useful information through all media to the public on USDA programs. The Office serves as the liaison between the Department and the many asso-

ciations and organizations representing America's food, fiber, and environmental interests.

COMMITTEE PROVISIONS

For the Office of Communications, the Committee provides an appropriation of \$8,198,000, the same as the amount available for fiscal year 1995 and a decrease of \$692,000 below the budget request.

OFFICE OF THE INSPECTOR GENERAL

1995 appropriation	¹ \$63,418,000
1996 budget estimate	64,739,000
Provided in the bill	63,639,000
Comparison:	
1995 appropriation	+221,000
1996 budget estimate	-1,100,000

¹ The 1995 appropriation is not adjusted to reflect the transfer of the Civil Rights Enforcement function to Departmental Administration.

The Office of the Inspector General was established October 12, 1978, by the Inspector General Act of 1978. This reaffirmed and expanded the Office established by Secretary's Memorandum No. 1915, dated March 23, 1977.

The Office is administered by an Inspector General who reports directly to the Secretary of Agriculture. Functions and responsibilities of this Office include direction and control of audit and investigative activities within the Department, formulation of audit and investigative policies and procedures regarding Department programs and operations, analysis and coordination of program-related audit and investigation activities performed by other Department agencies, and review of existing and proposed legislation and regulations regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations and the prevention and detection of fraud and abuse in such programs. The activities of this Office are designed to assure compliance with existing laws, policies, regulations and programs of the Department's agencies, and to provide appropriate officials with the means for prompt corrective action where deviations have occurred. The scope of audit and investigative activities is large and includes administrative, program, and criminal matters. These activities are coordinated, when appropriate, with various audit and investigative agencies of the executive and legislative branches of the government.

COMMITTEE PROVISIONS

For the Office of the Inspector General, the Committee provides an appropriation of \$63,639,000, an increase of \$221,000 above the amount available for fiscal year 1995 and a decrease of \$1,100,000 below the budget request. Included in the total is \$850,000 to cover costs associated with the Availability Pay Act.

OFFICE OF THE GENERAL COUNSEL

1995 appropriation	\$25,992,000
1996 budget estimate	27,860,000
Provided in the bill	27,860,000

Comparison:

1995 appropriation	+1,868,000
1996 budget estimate	

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department on administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from and decisions of the Commission to the courts. Counsel serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation and reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

COMMITTEE PROVISIONS

For the Office of the General Counsel the Committee provides an appropriation of \$27,860,000, an increase of \$1,868,000 above the amount available for fiscal year 1995 and the same as the budget request.

The Committee understands the budget constraints facing all agencies within the Department and the difficult decisions that must be made to continue to operate in an efficient and effective manner in these extremely tight fiscal times. The Committee has provided the Office of the General Counsel its full budget request and does not expect the Office to seek reimbursement from other agencies' appropriations in this bill to supplement its appropriation.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

1995 appropriation	\$520,000
1996 budget estimate	¹ 535,000
Provided in the bill	520,000
Comparison:	
1995 appropriation	
1996 budget estimate	- 15,000

¹ The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Research, Education and Economics provides direction and coordination in carrying out the laws enacted by the Congress for food and agricultural research, education, extension, and economic and statistical information. The Office has oversight and management responsibilities for the Agricultural Research Service, Cooperative State Research, Education, and Extension Service, Economic Research Service, and National Agricultural Statistics Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Research, Education and Economics, the Committee provides an appropriation of \$520,000, the same as the amount available for fiscal year 1995 and a decrease of \$15,000 below the budget request.

Research is the future of American agriculture. It is the best way to allow American farmers to compete worldwide and produce a steady, economical, and nutritious supply of food for the United States. Investments in agricultural research are critical to the nation's economy, the preservation of natural resources, and the health and well-being of its citizenry. While USDA research and development (R&D) is less than 2 percent of the total Federal R&D expenditure, it plays a significant role in American agriculture's contributions to the nation's Gross Domestic Product, exports, trade, and employment.

The Committee recognizes the Department's efforts to reorganize and streamline its programs to reduce overhead and operational costs. There appears to be considerable overlap of research among universities, the Agricultural Research Service, regulatory agencies, and private industry. The Committee expects the Department to take the lead in developing a coordinated long-term strategy that incorporates both long- and short-term applied and basic research activities.

ECONOMIC RESEARCH SERVICE

1995 appropriation	¹ \$53,936,000
1996 budget estimate	54,665,000
Provided in the bill	53,131,000
Comparison:	
1995 appropriation	— 805,000
1996 budget estimate	— 1,534,000

¹ The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for the Economic Analysis Staff and the EEO counseling function are included.

The Economic Research Service (ERS) provides economic and other social science information and analysis for public and private decisions on agriculture, food, natural resources, and rural America. ERS produces such information for use by the general public and to help the executive and legislative branches develop, administer, and evaluate agricultural and rural policies and programs.

COMMITTEE PROVISIONS

For the Economic Research Service the Committee provides an appropriation of \$53,131,000, a decrease of \$805,000 below the amount available for fiscal year 1995 and a decrease of \$1,534,000 below the budget request.

The amount does not include funding for rice modeling research. The Committee believes this funding should be awarded competitively through the competitive research grants program under the Cooperative State Research, Education, and Extension Service.

The Committee encourages the continued support of economic analyses of the nursery and greenhouse industry.

NATIONAL AGRICULTURAL STATISTICS SERVICE

1995 appropriation	¹ \$81,424,000
1996 budget estimate	89,837,000
Provided in the bill	81,107,000
Comparison:	
1995 appropriation	– 317,000
1996 budget estimate	– 8,730,000

¹ The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for the Economic Analysis Staff and the EEO counseling function are included.

The National Agricultural Statistics Service (NASS) administers the Department's program of collecting and publishing current national, state, and county agricultural statistics, which are essential for making effective policy, production, and marketing decisions. These statistics provide accurate and timely estimates of current agricultural production and measures of the economic and environmental welfare of the agricultural sector. NASS also provides statistical services to other USDA and Federal agencies in support of their missions, and provides consulting, technical assistance, and training to developing countries.

COMMITTEE PROVISIONS

For the National Agricultural Statistics Service the Committee provides an appropriation of \$81,107,000, a decrease of \$317,000 below the amount available for fiscal year 1995 and a decrease of \$8,730,000 below the budget request.

AGRICULTURAL RESEARCH SERVICE

1995 appropriation	¹ \$714,689,000
1996 budget estimate	709,810,000
Provided in the bill	705,610,000
Comparison:	
1995 appropriation	– 9,079,000
1996 budget estimate	– 4,200,000

¹ The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for the EEO counseling function are included.

The Agricultural Research Service (ARS) was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949 (5 U.S.C. 133z–15), Reorganization Plan No. 2 of 1953, and other authorities. Pursuant to the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912) the Service includes functions previously performed by the Human Nutrition Information Service and the National Agricultural Library. It conducts basic and applied research in the fields of livestock, plant sciences, entomology, soil and water conservation, agricultural engineering utilization and development, human nutrition and consumer use, marketing, and development of methods to eradicate narcotic-producing plants.

The Service also directs research beneficial to the United States which can be advantageously conducted in foreign countries through agreements with foreign research institutions and universities, using foreign currencies for such purposes. This program is carried out under the authority of sections 104(b) (1) and (3) of Public Law 480, and the Agricultural Trade Development and Assistance Act of 1954, as amended.

COMMITTEE PROVISIONS

Salaries and expenses.—For salaries and expenses of the Agricultural Research Service the Committee provides an appropriation of \$705,610,000, a decrease of \$9,079,000 below the amount available for fiscal year 1995 and a decrease of \$4,200,000 below the budget request.

ARS laboratories.—The Committee supports the Department's efforts to streamline and reduce costs associated with operating research facilities. The Committee is also cognizant of the importance of the research carried out within these laboratories. The President's budget recommends that 12 research locations be closed. The Committee notes that 9 of these research locations were proposed for closure in the previous budget. Congress had directed that further evaluations be conducted on these sites before concluding action on these proposals. These assessments were not carried out as directed. The Committee has not been furnished adequate justification to support the closure of these laboratories. However, the Committee is faced with reduced funding allocations and recognizes that difficult decisions must be made within the scope of the information available. In this regard, the Committee concurs with the Administration's proposal to close research facilities at Brawley, California; Chatsworth, New Jersey; Orono, Maine; Brownwood, Texas; and Houma, Louisiana. The Committee has provided funds to continue the Federal research currently being conducted at these sites. The research being conducted is of long term importance. The ability to transfer some of the costs associated with owning certain facilities and still maintain the important research is of benefit to the government, effected industry, and consumers. The Committee directs that the research be maintained at El Reno, Oklahoma; Reno, Nevada; Miami, Florida; and Clemson, South Carolina.

Program leadership and resources should be redirected and consolidated at primary ARS facilities to coordinate and carry out research currently assigned to East Grand Forks, Minnesota and Sidney, Montana. These locations should be relegated to worksite status if required to be maintained for plot work, germ plasm collections, or other physical or research applications. The Jackson, Tennessee location is university owned and houses only one ARS scientist. This scientist should work out of the Stoneville, Mississippi office. The Houma, Louisiana property should revert back to the ownership of the American Sugarcane League. Program leadership and resources are to be transferred to New Orleans, Louisiana and the Houma facility used as a worksite. The transfer of Federal property at Brownwood Texas; Brawley, California; Houma, Louisiana; and Lewisburg, Tennessee is included in the appropriations bill language.

Budget request.—The budget request proposed several increases for research in integrated pest management, environmental quality, pre- and post-harvest food safety, and nutrition monitoring. The Committee is unable to concur with all the proposed increases. The Committee provides significant increases to integrated pest management and environmental quality within the Cooperative State Research, Education, and Extension Service (CSREES) budget and, therefore, does not provide the additional funding requested

for the Agricultural Research Service. The Committee also deletes funding for food safety research within the Food Safety and Inspection Service and directs that FSIS coordinate its research needs with ARS. The Agricultural Research Service should reprioritize its food safety research to accommodate FSIS, but should balance all food safety research so it is not out of proportion to other needs. The Committee also defers the request for the survey on nutrition monitoring.

Continuing programs.—The Committee directs the Agricultural Research Service to continue at last year's levels the following areas of research: composting in Ohio; Hawaiian sugarcane; Northwest Small Fruit Research Center; sweet potato whitefly; long staple cotton; locoweed; western pecan research; grape phylloxera and virology; Arkansas Children's Hospital nutrition; lyme disease in New York and Connecticut; Biotechnology Research and Development Corporation; aflatoxin; sugar beet research in Ft. Collins, Colorado; potato research including tri-state varietal research; soybean cyst nematode; wild rice in Minnesota; weed control research in Albany, California; terrestrial systems (CIESIN); grass seed cropping systems; vegetable handling research; meat and poultry research; fungal phytase and natural products research.

Root weevil.—Presently there are about 142,000 acres infested with a root weevil known as *Diaprepes abbrevatus*. This pest is causing estimated annual losses of \$73 million in Florida. Efforts to eradicate and/or control its spread have proven unsuccessful. The Committee provides \$400,000 for the ARS to develop a research plan that would eliminate this threat and stop its expansion to other states.

National Arboretum.—Nursery and floral crops account for 11 percent of the total cash value of all U.S. agricultural products. The Committee expects ARS to give consideration to expanded research in these areas. In addition, since its founding in 1927, the U.S. National Arboretum has introduced over 150 important new cultivars. Many disease-resistant and ornamental plants derived from Arboretum research are on display at that facility in Washington. Much of the unique opportunities available from research interpretation and visitor services of the Arboretum remain untapped. The Committee directs that not less than an additional \$200,000 be available for an interpretive specialist to adapt existing collections to modern interpretive use. Also, not less than an additional \$150,000 should be made available for expansion of the horticultural and research internship program.

Animal Improvement Program.—For the Animal Improvement Program Laboratory in Beltsville, Maryland, the Committee provides an increase of \$300,000. This laboratory is understaffed and is comprised of geneticists and computer scientists who are responsible for assembling, analyzing, and reporting vital production information that dairy farmers use to improve the breeding quality of dairy cattle.

Effect of Diet, Nutrition, and Lifestyle on Human Health and Risk of Disease.—Diet and nutrition have a substantial impact on health. Nutritionally well-balanced diets may significantly reduce the risk of many diseases, while improper dietary patterns may increase risk for diseases that are costly to treat. Dietary choices and

their specific effects on health are the product of complex interactions among physiological, environmental, behavioral, social, and genetic factors. For example, physiological requirements for many nutrients increase during pregnancy and proper maternal nutrition is critical to normal fetal development. Genetic factors play an equivalent, pivotal role in health as evidenced by the effect of sodium on the development of high blood pressure in certain individuals or the high degree of individuality in plasma cholesterol response to dietary fat and cholesterol. For a specific compound, the definition of excessive is therefore influenced by genetic and physiological factors.

Excessive alcohol consumption is linked to higher risk of high blood pressure and hemorrhagic stroke as well as cirrhosis and early death. However, there is also evidence from epidemiologic studies suggesting that moderate alcohol consumption may be positively associated with cardiovascular health. In addition to alcohol, wine contains antioxidants that may offer a protective element for cardiovascular disease. The Committee directs the Department of Agriculture to support and assist research efforts in these areas, especially the impact of alcohol on cardiovascular health and longevity and on the dietary role of antioxidants and moderate alcohol consumption, and to develop a working strategy to assure future research on this important issue.

Rangeland management.—The Committee provides an increase of not less than \$500,000 for the ARS Jornada Experimental Range. These additional funds will be used to bring together ARS scientists with the New Mexico State Agricultural Experiment Station and Physical Sciences Laboratory, the Environmental Protection Agency, and the National Science Foundation's long-term ecological research program. The funding will help address new methods for monitoring, remediation, and development of decision models for rangeland management.

Apple research.—The Committee expects ARS to increase its research toward finding alternatives to pesticides and improving post-harvest technologies for apples.

Citrus tristeza virus.—It is estimated that if a serious outbreak of citrus tristeza virus occurs in the U.S., the industry could lose up to one billion dollars in just the next few years. Florida, alone, could suffer over \$500 million in losses in five years. To help combat this deadly citrus tree virus, the Committee provides an increase of \$500,000 to begin research on control of this pest.

Environmental quality.—Since the Committee's recommendation for the CSREES includes significant funds for PM-10 research, the ARS should closely coordinate its research on this issue with existing activities. An increase of not more than \$500,000 may be used for additional PM-10 research.

Centers of Excellence.—Due to severe fiscal constraints the Committee directs that no new Centers of Excellence at universities and colleges be established.

Binational Agricultural Research and Development (BARD).—The Committee provides funding for the U.S.-Israel Binational Agricultural Research and Development program at \$2,500,000, the same level as last year.

Methyl bromide.—The Committee provides an increase of \$2,000,000 for additional research related to a replacement for methyl bromide.

Human nutrition.—The Committee expects the agency to expand its research related to human nutrition and chronic diseases. Accordingly, the Committee provides an additional \$1,000,000 for this type of research.

National Agricultural Library.—The Committee concurs with the budget request for upgrades and preservation of materials for the National Agricultural Library.

Sacramento Valley Soil and Water Quality.—The Committee has provided \$100,000 for research to address the problems of reduced crop yields in the Sacramento Valley of California caused by increasing levels of salinity, sodicity and hydrogen sulfides in the soils and water. Such study shall be carried out by the United States Salinity Laboratory at Riverside in coordination with the area Cooperation Extension farm advisor and other appropriate land, air and water resources university-based researchers.

BUILDINGS AND FACILITIES

1995 appropriation	\$43,718,000
1996 budget estimate	30,200,000
Provided in the bill	30,200,000
Comparison:	
1995 appropriation	– 13,518,000
1996 budget estimate	

The ARS Buildings and Facilities account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities which directly or indirectly support research and extension programs of the Department. Routine construction or replacement items would continue to be funded under the limitations contained in the regular account.

COMMITTEE PROVISIONS

For Agricultural Research Service, Buildings and Facilities the Committee provides \$30,200,000, a decrease of \$13,518,000 below the amount available for fiscal year 1995 and the same amount as the budget request. The following table summarizes the Committee's provisions:

AGRICULTURAL RESEARCH SERVICE

[In thousands of dollars]

	FY 1995 enacted	FY 1996 request	House bill
BUILDINGS AND FACILITIES			
Arizona:			
Water Conservation Laboratory and Western Cotton Research Laboratory	396		
Arkansas:			
Rice Germplasm Center, Stuttgart	4,752		
California:			
Horticulture Crops Research Lab, Fresno to Parlier	2,630		
Western Regional Research Center	919		
Florida:			
Citrus Research Lab, Orlando	2,900		1,500

AGRICULTURAL RESEARCH SERVICE—Continued

[In thousands of dollars]

	FY 1995 enacted	FY 1996 request	House bill
France:			
European Biological Control Laboratory, Montpellier		2,600	2,600
Illinois:			
National Center for Agricultural Utilization Research, Peoria		11,700	9,700
Iowa:			
National Swine Research Facility	6,259		
Kansas:			
Grain marketing research lab	950		
Louisiana:			
Southern Regional Research Center	2,934	900	900
Maryland:			
Beltsville Agricultural Research Center	3,960	10,000	8,000
Mississippi:			
National Center for Natural Products	3,578		
National Center for Warm Water Aquaculture	1,747		
New York:			
Plum Island Animal Disease Center	1,168	5,000	5,000
South Carolina:			
U.S. Vegetable Lab, Charleston	5,544		
Texas:			
Plant Stress Lab, Texas Tech. University	1,051		1,500
Subtropical Lab, Weslaco	3,009		1,000
West Virginia:			
National Center for Cold Water Aquaculture	1,921		
Total, Buildings and facilities	43,718	30,200	30,200

The Committee is aware that some research proposed for the Ft. Pierce, Florida laboratory is being conducted at Charleston, South Carolina, and Miami, Florida laboratories. ARS should reconsider the proposed size of the Ft. Pierce laboratory and downsize it accordingly.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

The Cooperative State Research, Education, and Extension Service (CSREES) was established by the Secretary of Agriculture on October 1, 1994, under the authority of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912). The Service was created by the merger of the Cooperative State Research Service and the Extension Service. The mission of CSREES is to work with university partners to advance research, extension, and higher education in the food and agricultural sciences and related environmental and human sciences to benefit people, communities, and the nation.

RESEARCH AND EDUCATION ACTIVITIES

1995 appropriation	¹ \$433,438,000
1996 budget estimate	432,212,000
Provided in the bill	389,372,000
Comparison:	
1995 appropriation	— 44,066,000
1996 budget estimate	— 42,840,000

¹ The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for the EEO counseling function are included.

The research and education programs administered by the Cooperative State Research, Education, and Extension Service were established by Secretary's Memorandum No. 1462, dated July 19, 1961, and Supplement 1, dated August 31, 1961, under Reorganization Plan No. 2 of 1953. The primary function of research and education activities is to administer Acts of Congress that authorize Federal appropriations for agricultural research and higher education carried on by the State Agricultural Experiment Stations of the 50 States, District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Mariana Islands, and by approved schools of forestry, the 1890 land-grant colleges and Tuskegee University, and other eligible institutions. Administration of payments and grants involves the approval of each research proposal to be financed in whole or in part from Federal grant funds; the continuous review and evaluation of research and higher education programs and expenditures thereunder and the encouragement of cooperation within and between the states, and with the research programs of the U.S. Department of Agriculture.

COMMITTEE PROVISIONS

For payments under the Hatch Act the Committee provides \$166,165,000, a decrease of \$5,135,000 below the amount available for fiscal year 1995 and a decrease of \$5,135,000 below the budget request.

For cooperative forestry research the Committee provides \$20,185,000, a decrease of \$624,000 below the amount available for fiscal year 1995 and a decrease of \$624,000 below the budget request.

For payments to the 1890 land-grant colleges and Tuskegee University the Committee provides \$27,313,000, a decrease of \$844,000 below the amount available for fiscal year 1995 and \$844,000 below the budget request.

COMPETITIVE RESEARCH

For competitive research grants the Committee provides \$98,810,000. Due to shifting in categories of research in fiscal year 1996, the comparison to fiscal year 1995 is an increase of \$4,000,000.

SPECIAL RESEARCH GRANTS

For special research grants authorized by the Act of August 4, 1965 (7 U.S.C. 405i(c)), and other Acts the Committee provides \$31,485,000, a decrease of \$15,099,000 below the amount available for fiscal year 1995 and an increase of \$16,435,000 above the budget request.

The Committee has included a new category of special research grant. For improved pest control the Committee provides \$11,599,000, a decrease of \$13,369,000 below the budget request.

Alliance for Food Protection (GA, NE).—The Committee provides \$300,000 for the Alliance for Food Protection. This is a joint effort between the University of Georgia and the University of Nebraska to facilitate development and modification of food processing and preservation technologies to enhance safety of food products.

Landscaping for water quality (IA, GA).—The Committee provides \$300,000 for a joint project supported by the Leopold Center for Sustainable Agriculture and the University of Georgia. The project will work toward improved models for optimization of economic and environmental quality degradation due to agriculture and to improved control of environmental degradation due to animal production and processing facilities and associated waste.

Organic waste utilization (NM).—The Committee provides \$150,000 to begin a unique partnership between the Waste Education Research Consortium and the Composting Council Research Foundation. The project will validate the use of composted urban and rural wastes to address water conservation, nonpoint source pollution control, and rangeland restoration requirements in the Southwest.

Viticulture Consortium (NY, CA).—The Committee provides \$500,000 for the Viticulture Consortium. This project will be jointly operated from Cornell University and the University of California to enhance United States viticulture. Many European countries are expending significant research dollars on viticulture and for the United States to remain competitive worldwide, research is our best opportunity to compete.

For research on alternative crops the Committee provides \$650,000. Included in this total is \$500,000 for research on canola and \$150,000 for research on hesperaloe.

The following table summarizes the Committee's recommendations for the above activities:

RESEARCH AND EDUCATION

(In thousands of dollars)

	FY 1995 enacted	FY 1996 re- quest	House bill
RESEARCH AND EDUCATION ACTIVITIES			
Payments Under Hatch Act	171,304	171,304	166,165
Cooperative forestry research (McIntire-Stennis)	20,809	20,809	20,185
Payments to 1890 colleges and Tuskegee	28,157	28,157	27,313
Special Research Grants (P.L. 89-106):			
Aflatoxin	113		113
Agricultural diversification (HI)	131		
Agricultural management systems (MA)	221		
Alfalfa (KS)	106		106
Alliance for food protection (NE, GA)			300
Alternative cropping systems (Southeast)	235		
Alternative crops (ND)	592		
Alternative crops for arid lands (TX)	85		85
Alternative Marine and Fresh Water Species (MS)	308		
Alternative pest control (AR)	1,184		
Alternative to pesticides and critical issues		5,000	2,000
Aquaculture (CT)	181		181
Aquaculture (IL)	169		169
Aquaculture (LA)	330		330
Aquaculture (MS)	592		
Aquatic food safety and quality (FL)	181		
Asian Products lab (OR)	212		
Bacoc Institute (WI)	312		
Beef fat content (IA)	201		
Biodiesel research (MO)	152		
Broom snakeweed (NM)	169		169
Canola (KS)	85		85
Center for animal health and productivity (PA)	113		113

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1995 enacted	FY 1996 re- quest	House bill
Center for innovative food technology (OH)	181	.....	181
Center for rural studies (VT)	32	.....	.....
Chesapeake Bay aquaculture	370	.....	370
Competitiveness of agricultural products (WA)	677	.....	500
Cool season legume research (ID, WA)	103	.....	103
Cranberry/blueberry disease and breeding (NJ)	220	.....	.....
CRP acreage usage (MO)	52	.....	.....
Dairy and meat goat research (TX)	63	.....	63
Delta rural revitalization (MS)	148	.....	.....
Developing peas and lentils for residue to meet SCS standards (WA)	226	.....	.....
Dried bean (ND)	85	.....	85
Drought mitigation (NE)	200	.....	200
Energy/Biofuels .....	.....	750	.....
Environmental research (NY)	486	.....	486
Expanded wheat pasture (OK)	285	.....	.....
Farm and rural business finance (IL, AR)	106	.....	.....
Floriculture (HI)	250	.....	.....
Food and Agriculture Policy Institute (IA, MO)	850	.....	850
Food irradiation (IA)	201	.....	.....
Food marketing policy center (CT)	332	.....	332
Food processing center (NE)	42	.....	.....
Food safety consortium (AR, KS, IA)	1,743	.....	1,743
Food systems research group (WI)	221	.....	221
Forestry (AR)	523	.....	.....
Fruit and vegetable market analysis (AZ, MO)	296	.....	296
Generic commodity promotion research and evaluation (NY)	212	.....	212
Global change	(1)	3,500	1,625
Global marketing support service (AR)	92	.....	.....
Grass seed cropping systems for a sustainable agriculture (WA, OR, ID)	423	.....	423
Great Plains agricultural policy center (OK)	42	.....	.....
Human nutrition (AR) .....	.....	.....	425
Human nutrition (IA)	473	.....	.....
Human nutrition (LA)	752	.....	752
Human nutrition (NY)	622	.....	622
Illinois-Missouri Alliance for Biotechnology	1,357	.....	1,357
Improved dairy management practices (PA)	296	.....	296
Improved fruit practices (MI)	445	.....	445
Integrated production systems (OK)	161	.....	.....
International arid lands consortium	329	.....	329
Iowa biotechnology consortium	1,792	.....	.....
Jointed goatgrass (WA)	296	.....	296
Landscaping for water quality (GA) .....	.....	.....	300
Livestock and dairy policy (NY, TX)	445	.....	445
Lowbush blueberry research (ME)	220	.....	.....
Low-input agriculture (MN)	195	.....	.....
Maple research (VT)	84	.....	.....
Michigan biotechnology consortium	1,995	.....	1,000
Midwest advanced food manufacturing alliance	423	.....	423
Midwest agricultural products (IA)	592	.....	.....
Midwest feeds consortium	423	.....	.....
Milk safety (PA)	268	.....	.....
Minor use animal drug	(1)	550	550
Molluscan shellfish (OR)	250	.....	.....
Multi-commodity research (OR)	364	.....	.....
Multi-cropping strategies for aquaculture (HI)	127	.....	.....
National biological impact assessment	254	300	254
Navajo Nation conservation (AZ)	91	.....	.....
Nematode resistance genetic engineering (NM)	127	.....	127
Non-food agricultural products (NE)	93	.....	.....
North central biotechnology initiative	2,000	.....	2,000
Oil resources from desert plant (NM)	169	.....	169
Oregon-Mass.-Penn. biotechnology	524	.....	.....

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1995 enacted	FY 1996 re- quest	House bill
Organic waste utilization (NM)			150
Peach tree short life (SC)	162		
Perishable commodities (GA)	212		
Pest control alternative (SC)	106		
Pesticide research (WA)	115		
Phytophthora root rot (NM)	127		127
Potato research	1,214		638
Preservation and processing research (OK)	226		
Procerum root disease (VA)	22		
Product development and marketing center (ME)	360		
Red River Corridor (MN, ND)	169		169
Regional barley gene mapping project	348		348
Regionalized implications of farm programs (MO, TX)	294		294
Rural development centers (PA, IA (ND), MS, OR)	423	450	400
Rural environmental research (IL)	90		
Rural housing needs (NE)	68		
Rural policies institute (AR, NE, MO)	644		322
Russian wheat aphid (WA, OR, CO, CA, ID)	455		
Seafood and aquaculture harvesting, processing, and marketing (MS)	305		
Seafood research (OR)	275		
Small fruit research (OR, WA, ID)	212		212
Soil and water research (OH)	169		
Southwest consortium for plant genetics and water resources	338		338
Soybean bioprocessing (IA)	277		
Soybean cyst nematode (MO)	303		303
STEEP II—water quality in Northwest	829		500
Sunflower insects (ND)	127		
Sustainable agriculture (MI)	445		
Sustainable agriculture and natural resources (PA)	94		
Sustainable agriculture systems (NE)	59		
Swine research (MN)	119		
Taxol cultivation (CT)	42		
Tillage, silviculture, waste management (LA)	212		212
Tropical and subtropical	2,809		2,809
Urban pests (GA)	64		64
Value-added wheat (KS)	212		
Viticulture consortium (NY, CA)			500
Waste utilization (NC)	373		
Water conservation (KS)	79		79
Water management (AL)	337		
Water quality	(¹)	4,500	2,500
Weed control (ND)	423		
Wheat genetic research (KS)	176		177
Wood utilization research (OR, MS, NC, MN, ME, MI)	3,758		
Wool research (TX, MT, WY)	212		212
Total, Special Research Grants	46,584	15,050	31,485
Improved pest control:			
Integrated pest management	(¹)	7,000	3,093
Pesticide clearance (IR-4)	5,711	15,000	6,711
Pesticide impact assessment	(¹)	2,968	1,795
Total, Improved pest control	5,711	24,968	11,599
Competitive research grants:			
Plant systems	37,000	47,000	38,000
Animal systems	23,125	29,500	24,125
Nutrition, food quality and health	7,400	11,000	7,400
Natural resources and the environment	16,650	27,000	17,650
Processes and new products	6,935	9,000	6,935
Markets, trade and policy	3,700	6,500	4,700

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1995 enacted	FY 1996 re- quest	House bill
Water quality	4,708	.....	.....
Integrated pest management	2,310	.....	.....
Pesticide impact assessment	1,295	.....	.....
Total, Competitive research grants	103,123	130,000	98,810
Animal Health and Disease (Sec. 1433)	5,551	5,551	5,051
Critical Agricultural Materials Act	500	.....	.....
Aquaculture Centers (Sec. 1475)	4,000	4,333	4,000
Rangeland Research Grants (Sec. 1480)	475	475	475
Grants and contracts	8,990	.....	.....
Alternative Crops	1,318	.....	500
Low-input agriculture	8,112	9,500	8,000
Higher Education	8,850	7,500	8,850
Capacity building grants .....	.....	10,550	.....
Native American Institutions Endowment Fund .....	.....	(4,600)	(4,600)
Advanced materials .....	.....	2,250	650
Federal Administration:			
Agricultural biotechnology	349	500	.....
Agriculture development im American Pacific	564	.....	564
Alternative fuels characterization lab (ND)	218	.....	.....
American Indian Initiative of the Arid Lands Development Fund	434	.....	.....
Center for Agricultural and Rural Development (IA)	655	.....	.....
Center for North American Studies (TX)	87	.....	87
Geographic information system	939	.....	.....
Herd management (TN)	535	.....	.....
Mississippi Valley State University	583	.....	.....
National Potato Trade and Tariff Association	93	.....	.....
Office of grants and program systems	292	314	314
Pay costs and FERS (prior)	480	451	451
Peer panels	227	500	300
PM-10 study (CA, WA)	873	.....	873
Shrimp aquaculture (AZ, HI, MS, MA, SC)	3,054	.....	3,000
Vocational aquaculture education	436	.....	.....
Water quality (IL)	928	.....	700
1890 capacity building	9,207	.....	.....
Total, Federal Administration	19,954	1,765	6,289
Total, Research and Education Activities	433,438	432,212	389,372

¹ Included in Grants and contracts line for FY 1995.

EXTENSION ACTIVITIES

1995 appropriation	¹ \$438,744,000
1996 budget estimate	437,552,000
Provided in the bill	413,257,000
Comparison:	
1995 appropriation	– 25,487,000
1996 budget estimate	– 24,295,000

¹ The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for the EEO counseling function are included.

Cooperative agricultural extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The legislation authorizes the Department of Agriculture to give, through the land-grant institutions, instruction and practical demonstrations in agricultural and home economics and related subjects, and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or a

resident in the colleges. In addition, the Service provides nutrition training to low-income families, 4-H Club work, and educational assistance, such as Community Resource Development.

COMMITTEE PROVISIONS

For extension activities the Committee provides an appropriation of \$413,257,000, a decrease of \$25,487,000 below the amount available for fiscal year 1995 and a decrease of \$24,295,000 below the budget request.

The following table reflects the amount provided by the Committee:

SCIENCE AND EDUCATION

[In thousands of dollars]

	FY 1995 enacted	FY 1996 request	House bill
EXTENSION ACTIVITIES			
Smith Lever 3(b) & 3(c)	272,582	272,582	264,405
Smith Lever: 3(d)			
Pest management	10,947	15,000	10,947
Water quality	11,234	11,234	10,897
Farm safety	2,988	988	2,898
Food and nutrition education (EFNEP)	61,431	61,431	59,588
Pesticide impact assessment	3,363	3,363	3,363
Rural development centers	950	950	921
Sustainable agriculture	3,463	4,963	3,463
Food safety	2,475	2,475	2,400
Youth at risk	10,000	10,000	9,700
Indian reservation agents	1,750	1,750	1,697
Nutrition education initiative	4,265	4,265	.....
Pesticide applicator training .....	.....	2,000	.....
1890's Colleges and Tuskegee	25,472	26,236	24,708
1890's facilities grants	7,901	7,901	7,664
Renewable Resources Extension Act	3,341	3,341	3,241
Agricultural telecommunications	1,221	1,221	1,184
Rural health and safety education	2,750	2,750	.....
Subtotal	426,133	432,450	407,076
Federal Administration and special grants:			
General administration	5,241	5,102	4,924
Pilot tech. transfer (OK, MS)	331	.....	.....
Pilot tech. transfer (WI)	165	.....	160
Rural rehabilitation (GA)	250	.....	.....
Income enhancement demonstration (OH)	250	.....	243
Rural development (NM)	230	.....	223
Rural development (NE)	392	.....	.....
Rural development (OK)	300	.....	.....
Cinch bug/Russian wheat aphid project (NE)	67	.....	.....
Beef producers' improvement (AR)	200	.....	.....
Integrated cow/calf resources management (IA)	350	.....	.....
Extension specialist (AR)	100	.....	.....
Rural center for the study and promotion of HIV/STD prevention (IN)	250	.....	243
Cranberry development (ME)	50	.....	.....
Delta teachers academy	3,935	.....	.....
Wood biomass as an alternative farm product (NY)	200	.....	194
Range improvement (NM)	200	.....	194
Agricultural Plastics (VT)	100	.....	.....

SCIENCE AND EDUCATION—Continued

[In thousands of dollars]

	FY 1995 enacted	FY 1996 request	House bill
Total, Federal Administration	12,611	5,102	6,181
Total, Extension Activities	438,744	437,552	413,257

The Committee does not provide funds for the Nutrition Education Initiative (NEI). NEI was initially funded in fiscal year 1993 to provide nutrition education to WIC recipients. Nutrition education is an integral part of the WIC program, itself. Due to severe fiscal constraints the Committee has deferred this funding and has increased the WIC program. The Committee believes the WIC funding allows for this important component to continue in an effective and efficient manner. The Committee also notes that funding is included for the expanded food and nutrition program (EFNEP) and roughly 50 percent of the EFNEP homemakers are also receiving WIC benefits.

No funds are included for the purpose of establishing the Centers of Excellence.

The Committee has not provided the requested increase for pesticide applicator training (PAT). Funding for PAT assistance has been provided in the past through the pest management program and through funding received from the Environmental Protection Agency. The Committee expects this assistance to be continued in fiscal year 1996.

The Committee directs the Department to work with the applicants for section 3(d) grants to develop matching funding from non-Federal sources. It is not the Committee's intention to prevent funding for any section 3(d) grant because of a lack of full matching funds this year, but rather to encourage, to the maximum extent possible, that matching funds be provided. In this period of scarce Federal resources, the need for matching funds will take on increasing importance.

The Committee includes \$50,000, within the total available for the Youth-at-Risk Program, for the I-CARE Program in Marion County, Illinois.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

1995 appropriation	
1996 budget estimate	(\$4,600,000)
Provided in the bill	(4,600,000)
Comparison:	
1995 appropriation	(+4,600,000)
1996 budget estimate	

The Native American Institutions Endowment Fund authorized by Public Law 103-382 provides the first installment to establish an endowment for the 1994 land-grant institutions (29 Tribally-controlled colleges). This program will enhance educational opportunities for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. On the

termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: sixty percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro rata basis, the proportionate share being based on the Indian student count; and forty percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE PROVISIONS

For the Native American institutions endowment fund the Committee provides \$4,600,000, the same amount as the budget request. This program is a new program to enhance educational opportunities for Native Americans. On the termination of each fiscal year the Secretary will use earned interest to assist tribally controlled colleges.

BUILDINGS AND FACILITIES

1995 appropriation	\$62,744,000
1996 budget estimate	
Provided in the bill	
Comparison:	
1995 appropriation	- 62,744,000
1996 budget estimate	

The CSREES Buildings and Facilities account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities which directly or indirectly support research and extension programs of the Department.

COMMITTEE PROVISIONS

For Buildings and Facilities the Committee has deferred funding. This is \$62,744,000 below the amount available for fiscal year 1995. The Committee expects to make an in-depth review of policies and practices related to this program and may issue new guidelines under which facilities may receive funding.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

1995 appropriation	\$605,000
1996 budget estimate	¹ 625,000
Provided in the bill	605,000
Comparison:	
1995 appropriation	
1996 budget estimate	- 20,000

¹ The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Marketing and Regulatory Programs provides direction and coordination in carrying out laws enacted by the Congress with respect to the Department's marketing, grading, and standardization activities related to grain; competitive marketing practices of livestock, marketing orders and various programs; veterinary services; and plant protection and

quarantine. The Office has oversight and management responsibilities for the Animal and Plant Health Inspection Service, Agricultural Marketing Service, and Grain Inspection, Packers and Stockyards Administration.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Marketing and Regulatory Programs the Committee provides an appropriation of \$605,000, the same as the amount available for fiscal year 1995 and a decrease of \$20,000 below the budget request.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

	<i>Appropriation</i>	<i>User fees</i>	<i>Total, APHIS</i>
1995 appropriation	¹ \$346,991,000	(\$96,660,000)	(\$443,651,000)
1996 budget estimate	330,025,000	(100,254,000)	(430,279,000)
Provided in the bill	333,410,000	(100,254,000)	(433,664,000)
Comparison:			
1995 appropriation .	– 13,581,000	(+3,594,000)	(– 9,987,000)
1996 budget estimate	+3,385,000	.....	(+3,385,000)

¹The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for pre-harvest pathogen reduction, Salmonella enteritidis, and Civil Rights Enforcement are included.

The Animal and Plant Health Inspection Service (APHIS) was established by the Secretary of Agriculture on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953, and other authorities. The major objectives of APHIS are to protect the animal and plant resources of the nation from diseases and pests. These objectives are carried out under the major areas of activity, as follows:

Pest and Disease Exclusion.—The agency conducts inspection and quarantine activities at U.S. ports-of-entry to prevent the introduction of exotic animal and plant diseases and pests. The agency also participates in inspection, survey, and control activities in foreign countries to reinforce its domestic activities.

Plant and Animal Health Monitoring.—The agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests.

Pest and Disease Management Programs.—The agency carries out programs to control and eradicate pest infestations and animal diseases that threaten the United States; reduce agricultural losses caused by predatory animals, birds, and rodents; provide technical assistance to other cooperators such as states, counties, farmer or rancher groups, and foundations; and ensure compliance with interstate movement and other disease control regulations within the jurisdiction of the agency.

Animal Care.—The agency conducts regulatory activities which ensure the humane care and treatment of animals and horses as required by the Animal Welfare and Horse Protection Acts. These activities include inspection of certain establishments which handle animals intended for research, exhibition, and as pets, and monitoring of certain horse shows.

Scientific and Technical Services.—The agency performs other regulatory activities, including the development of standards for the licensing and testing of veterinary biologicals to ensure their safety and effectiveness; diagnostic activities in support of the control and eradication programs in other functional components; applied research aimed at reducing economic damage from vertebrate animals; development of new pest and animal damage control methods and tools; and regulatory oversight of genetically engineered products.

Agricultural Quarantine Inspection.—User fees are collected to cover the cost of inspection and quarantine activities at U.S. ports of entry to prevent the introduction of exotic animal and plant diseases and pests.

COMMITTEE PROVISIONS

For the Animal and Plant Health Inspection Service the Committee provides \$433,664,000, a decrease of \$9,987,000 below the amount available for fiscal year 1995 and an increase of \$3,385,000 above the budget request. The following table reflects the amounts provided by the Committee:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

(Dollars in thousands)

	FY 1995 enacted	FY 1996 request	House bill
1. Pest and Disease Exclusion:			
Agricultural quarantine inspection	\$25,140	\$24,914	\$24,914
User fees	96,660	100,254	100,254
Subtotal, AQI	121,800	125,168	125,168
Foot-and-mouth disease	3,995	4,027	3,991
Mediterranean fruit fly exclusion	10,089	10,114	10,079
Mexican fruit fly exclusion	2,156	2,193	2,153
Import/Export inspection	6,535	6,559	6,528
International programs	6,106	6,122	6,100
Screwworm	34,029	33,969	33,969
Total, Pest and Disease Exclusion	184,710	188,152	187,988
2. Plant and Animal Health Monitoring:			
Animal health monitoring and surveillance	59,381	59,276	59,276
Animal and plant health regulatory enforcement	5,865	5,855	5,855
Fruit fly detection	3,923	3,937	3,919
Pest detection	4,206	4,586	4,202
Total, Plant and Animal Health Monitoring	73,375	73,654	73,252
3. Pest and Disease Management Programs:			
Animal damage control operations	26,592	20,297	26,566
Aquaculture	493	413	413
Biocontrol	7,504	6,290	7,497
Boll weevil	18,084	11,016	18,066
Brucellosis eradication	27,781	21,580	24,663
Cattle ticks	4,578	3,837	3,837
Golden nematode	615	435	435
Grasshopper and Mormon cricket		2,524	
Gypsy moth	5,177	4,367	4,367
Imported fire ant	1,500		1,000
Miscellaneous plant diseases	1,988	1,516	1,516
Noxious weeds	404	338	338
Pink bollworm	1,069	901	1,068

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

(Dollars in thousands)

	FY 1995 enacted	FY 1996 request	House bill
Pre-harvest program	2,800	.....	.....
Pseudorabies	4,543	2,863	4,543
Salmonella enteritidis	3,384	.....	.....
Scrapie	2,969	2,172	2,967
Sweet potato whitefly	2,400	2,012	2,398
Tropical bont tick	537	452	537
Tuberculosis	5,499	4,609	4,609
Witchweed	1,975	1,663	1,663
Total, Pest and Disease Management	119,892	87,285	106,483
4. Animal Care:			
Animal welfare	9,262	9,185	9,185
Horse protection	362	363	362
Total, Animal Care	9,624	9,548	9,547
5. Scientific and Technical Services:			
Animal damage control methods development	9,681	9,665	9,665
Biotechnology/environmental protection	7,690	7,677	7,677
Integrated systems acquisition project	3,500	4,055	4,055
Plant methods development labs	5,059	5,084	5,053
Veterinary biologics	10,371	10,392	10,360
Veterinary diagnostics	14,811	14,785	14,785
Total, Scientific and Technical Services	51,112	51,658	51,595
6. Contingency Fund	4,938	19,982	4,799
Total, Salaries and Expenses	443,651	430,279	433,664

Agricultural Quarantine Inspection (AQI).—The Committee has included language proposed by the Administration allowing amounts in the AQI user fee account to be available for authorized purposes without further appropriation in fiscal year 1996. The Committee is aware of the need for increased staffing on the Island of Lanai, Hawaii, and at Dulles International Airport and expects APHIS to address these needs. APHIS should also assure adequate staffing levels for inspection services along the U.S./Mexico border.

Animal damage control.—The Committee expects APHIS to assure, to the maximum extent possible, that all control activities be cost-shared with local sponsors. The Committee expects APHIS to continue work related to beaver control in East Texas, the mountain lion threat to wool growers in California, rabies epizootics control in South Texas, and blackbird damage control.

Animal Health Monitoring and Surveillance.—The Committee expects the Department to enhance funding for the National Poultry Improvement Plan.

Horse Protection.—In light of current fiscal constraints, the Committee expects the Department to establish programs and policies for enforcement of the Horse Protection Act which will provide for a more efficient and effective use of Department resources. The Committee expects the Department to work with horse industry organizations to improve the enforcement of the Act by enhancing the regulatory responsibilities of USDA-certified organizations. The

Committee expects APHIS to provide a report to the Committee regarding its progress in achieving this objective by February 1, 1996.

Vesicular Stomatitis.—The Committee directs that APHIS take all steps necessary to control vesicular stomatitis outbreaks in New Mexico and other states. APHIS should use contingency funds as needed to complete this effort.

Avocados.—The Committee is concerned about the potential regulatory changes that would modify quarantine restrictions on the importation of fresh Mexican avocados. The Committee believes that adequate safeguards must be in place before regulations are promulgated to ensure that domestic avocados and other high-value crops are not subject to infestation by injurious exotic pests. The Committee expects the Secretary to: (1) ensure scientific credibility on pest risk assessment and risk management; (2) assure the Committee that the Department will commit the resources necessary to ensure effective oversight, inspection and enforcement of any importation system which may result; and (3) ensure that industry is provided with an opportunity to provide input on any proposed regulatory changes. The Committee further expects that the Secretary will keep all appropriate committees of the Congress fully informed regarding the Department's deliberations in this area and progress in meeting these objectives.

One option for pest risk assessment and risk management that the Secretary may wish to consider would be use of an independent peer review panel.

BUILDINGS AND FACILITIES

1995 appropriation	\$6,973,000
1996 budget estimate	12,541,000
Provided in the bill	12,541,000
Comparison:	
1995 appropriation	+5,568,000
1996 budget estimate	

The APHIS Buildings and Facilities account funds major non-recurring construction projects in support of specific program activities and recurring construction, alterations, preventive maintenance, and repairs of existing APHIS facilities.

COMMITTEE PROVISIONS

For Animal and Plant Health Inspection Service, buildings and facilities, the Committee provides an appropriation of \$12,541,000, an increase of \$5,568,000 above the amount available for fiscal year 1995 and the same as the budget request.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

1995 appropriation	¹ \$56,591,000
1996 budget estimate	50,607,000
Provided in the bill	46,662,000
Comparison:	
1995 appropriation	— 9,929,000

1996 budget estimate - 3,945,000

¹The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for egg products inspection are included.

The Agricultural Marketing Service (AMS) was established by the Secretary of Agriculture on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953, and other authorities. Through its marketing, consumer, and regulatory programs, AMS aids in advancing orderly and efficient marketing and effective distribution and transportation of products from the nation's farms.

Programs administered by this agency include the market news services, payments to states for marketing activities, the Plant Variety Protection Act, the Federal administration of marketing agreements and orders, standardization, grading, classing, and shell egg surveillance services, transportation services, and market protection and promotion.

COMMITTEE PROVISIONS

For marketing services of the Agricultural Marketing Service, the Committee provides an appropriation of \$46,662,000, a decrease of \$9,929,000 below the amount available for fiscal year 1995 and a decrease of \$3,945,000 below the budget request.

The Committee provides \$556,000 to continue implementation of the organic certification program. The Committee also provides \$351,000 to offset increased Federal costs and state reimbursements in administering temperature requirements of the Egg Products Inspection Act.

The Committee is aware that the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993 mandates collections from handlers of cut flowers and fresh greens to pay for generic promotion, consumer information, and related research. The Committee is also aware that the Act directs the Secretary to hold an industry referendum within three years after collections begin. These collections began in January 1995. After the industry implements and evaluates the program, the Committee directs the Secretary to hold an industry referendum as soon as possible.

Due to severe fiscal constraints the Committee is not able to provide the budget request for pesticide recordkeeping or the Center of Excellence in World Food Distribution.

The Committee urges the Department's consideration of a proposal from the Southwest Virginia Agricultural Association, Inc. to establish satellite farmers' markets in Southwest Virginia.

The Committee again provides language to allow for the collection of fees for the development of standards.

LIMITATION ON ADMINISTRATIVE EXPENSES

1995 limitation	(\$57,054,000)
1996 budget limitation	(58,461,000)
Provided in the bill	(58,461,000)
Comparison:	
1995 limitation	(+1,407,000)
1996 budget limitation	

The Agricultural Marketing Service provides inspection, grading, and classing services to the cotton and tobacco industries on a user funded basis. The legislative authorities to carry out these pro-

grams are: the U.S. Cotton Standards Act; the Cotton Statistics and Estimates Act of 1927, as amended; the Tobacco Inspection Act; the Omnibus Budget Reconciliation Act of 1981; the Dairy and Tobacco Adjustment Act of 1985; and the Uniform Cotton Classing Fees Act of 1987. These programs facilitate the interstate and foreign commerce of these products. This is accomplished by inspecting, identifying, and certifying the quality of these products in accordance with official standards. Grades serve as a basis for prices and reflect the value of the products to the producer as well as the buyer. These programs facilitate the movement of commodities through marketing channels in a quick, efficient, and equitable manner.

COMMITTEE PROVISIONS

For a limitation on administrative expenses of the Agricultural Marketing Service the Committee provides \$58,461,000, an increase of \$1,407,000 above the amount available for fiscal year 1995 and the same as the budget request.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

1995 appropriation	\$10,309,000
1996 budget estimate	10,451,000
Provided in the bill	10,451,000
Comparison:	
1995 appropriation	+142,000
1996 budget estimate	

The Act of August 24, 1935, appropriates 30 percent of all customs receipts for: (a) encouraging exports of agricultural commodities; (b) encouraging domestic consumption of agricultural commodities by diversion to alternative outlets or by increasing their utilization; and (c) reestablishing the farmers' purchasing power.

The primary purpose of section 32 is to strengthen markets by purchasing surplus perishable agricultural commodities to encourage continued adequate production.

The following table reflects the status of this fund for fiscal years 1994–1996:

SECTION 32—ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD, FISCAL YEARS 1994–1996

	FY 1994 actual	FY 1995 current estimate	FY 1996 current estimate
Appropriation (30 percent of Customs receipts)	\$5,355,068,525	\$5,795,222,663	\$6,263,764,062
Less transfers:			
Food and Nutrition Service	— 4,770,109,000	— 5,249,077,000	— 5,597,858,000
Commerce Department	— 61,944,127	— 64,765,383	— 72,893,162
Total, transfers	— 4,832,053,127	— 5,313,842,383	— 5,670,751,162
Budget authority	523,015,398	481,380,280	670,378,900
Unobligated balance available, start of year	246,300,847	245,951,017	147,444,297
Recoveries of prior year obligations	20,804,713		
Available for obligation	790,120,958	727,331,297	740,457,197

SECTION 32—ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD, FISCAL YEARS 1994–1996—Continued

	FY 1994 actual	FY 1995 current estimate	FY 1996 current estimate
Less obligations:			
Commodity procurement:			
Child nutrition purchases	399,713,755	400,000,000	400,000,000
Emergency surplus removal	78,451,603	97,600,000	.....
Disaster relief	3,463,455	480,000	.....
Sunflower oil purchase	50,000,000	25,650,000	23,900,000
Total, commodity procurement	531,628,813	523,730,000	423,900,000
Administrative funds:			
Commodity purchase service	4,422,834	6,098,000	6,106,000
Marketing agreements and orders	8,118,294	10,309,000	10,451,000
Total, administrative funds	12,541,128	16,407,000	16,557,000
Total, direct obligations	544,169,941	579,887,000	440,457,000
Unobligated balance available end of year ...	245,951,017	147,444,297	300,000,197

COMMITTEE PROVISIONS

For the marketing agreements and orders program, the Committee provides a transfer from section 32 funds of \$10,451,000, an increase of \$142,000 above the amount available for fiscal year 1995 and the same as the budget request.

PAYMENTS TO STATES AND POSSESSIONS

1995 appropriation	\$1,200,000
1996 budget estimate	1,200,000
Provided in the bill	1,000,000
Comparison:	
1995 appropriation	– 200,000
1996 budget estimate	– 200,000

The Federal-State Marketing Improvement Program is authorized by section 204(b) of the Agricultural Marketing Act of 1946 and is also funded from appropriations. Payments are made to state marketing agencies to: identify and test market alternative farm commodities; determine methods of providing more reliable market information; and develop better commodity grading standards. This program has made possible many types of projects, such as electronic marketing and agricultural product diversification. Current projects are focused on the improvement of marketing efficiency and effectiveness, and seeking new outlets for existing farm produced commodities. The legislation grants the U.S. Department of Agriculture authority to establish cooperative agreements with State Departments of Agriculture or similar state agencies to improve the efficiency of the agricultural marketing chain. The states perform the work or contract it to others, and must contribute at least one-half of the cost of the projects.

COMMITTEE PROVISIONS

For payments to states and possessions the Committee provides an appropriation of \$1,000,000, a decrease of \$200,000 below the amount available for fiscal year 1995 and a decrease of \$200,000 below the budget request.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION
SALARIES AND EXPENSES

1995 appropriation	¹ \$23,314,000
1996 budget estimate	23,679,000
Provided in the bill	23,058,000
Comparison:	
1995 appropriation	– 256,000
1996 budget estimate	– 621,000

¹ The 1995 appropriation is adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated to the Federal Grain Inspection Service and the Packers and Stockyards Administration are merged together to form the new Grain Inspection, Packers and Stockyards Administration. Funds appropriated for Civil Rights Enforcement are included.

The Grain Inspection, Packers and Stockyards Administration (GIPSA) was established pursuant to the Secretary's 1994 reorganization. GIPSA consolidates the activities of the former Federal Grain Inspection Service and the Packers and Stockyards Administration. Grain inspection and weighing programs are carried out under the U.S. Grain Standards Act and other programs under the authority of the Agricultural Marketing Act of 1946, including the inspection and grading of rice and grain-related products; conducting official weighing and grain inspection activities; and grading dry beans and peas, and processed grain products. Under the Packers and Stockyard Act, assurance of the financial integrity of the livestock, meat, and poultry markets is provided. The Administration monitors competition in order to protect producers, consumers, and industry from deceptive and fraudulent practices which affect meat and poultry prices.

COMMITTEE PROVISIONS

For the Grain Inspection, Packers and Stockyards Administration, the Committee provides an appropriation of \$23,058,000, a decrease of \$256,000 below the amount available for fiscal year 1995 and a decrease of \$621,000 below the budget request.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

1995 limitation	(\$42,784,000)
1996 budget limitation	(42,784,000)
Provided in the bill	(42,784,000)
Comparison:	
1995 limitation	
1996 budget limitation	

The U.S. Grain Standards Act requires, with minor exceptions, that all grain exported by grade must be officially inspected and weighed. The agency's employees of delegated state agencies perform original inspection and weighing services at export port locations in the United States and Canada. Grain which is not being exported may be inspected at interior locations, upon request, by licensed employees of designated state and private agencies. The agency's employees, upon request, perform domestic original inspection and weighing services on grain, oilseeds, pulses, rice, and related grain commodities. The agency's employees supervise and provide oversight for inspectors performing official services.

COMMITTEE PROVISIONS

The Committee includes a limitation on inspection and weighing services expenses of \$42,784,000, the same as the amount available for fiscal year 1995 and the same as the budget request. The bill includes authority to exceed by 10 percent the limitation on inspection and weighing services with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight or other uncontrollable factors occur.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

1995 appropriation	
1996 budget estimate	¹ \$580,000
Provided in the bill	450,000
Comparison:	
1995 appropriation	+450,000
1996 budget estimate	-130,000

¹The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Food Safety provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's inspection of meat, poultry, and egg products. The Office has oversight and management responsibilities for the Food Safety and Inspection Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food Safety the Committee provides an appropriation of \$450,000, an increase of \$450,000 above the amount available for fiscal year 1995 and a decrease of \$130,000 below the budget request.

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

1995 appropriation	¹ \$516,738,000
1996 budget estimate	594,889,000
Provided in the bill	540,365,000
Comparison:	
1995 appropriation	+23,627,000
1996 budget estimate	-54,524,000

¹The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for egg products inspection under the Agricultural Marketing Service and the pre-harvest pathogen reduction and the Salmonella enteritidis programs under the Salaries and Expenses account of the Animal and Plant Health Inspection Service are excluded. Funds appropriated for Civil Rights Enforcement are included.

The Food Safety and Inspection Service was established on June 17, 1981, by Secretary's Memorandum No. 1000-1, issued pursuant to Reorganization Plan No. 2 of 1953.

The major objectives of the Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act; provide continuous in-plant inspection to egg processing plants under the Egg Products Inspection Act; and administer the pathogen reduction program.

Legislation was enacted in 1986 to amend the continuous inspection requirements of the Federal Meat Inspection Act. The new Processed Products Inspection Improvement Act of 1986 gives the Secretary discretion to schedule inspections at processing plants based upon such criteria as the nature of the product produced and the plants' compliance histories.

The inspection program of the Food Safety and Inspection Service provides continuous in-plant inspection of all domestic plants preparing meat, poultry or egg products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to states which maintain meat and poultry inspection programs.

COMMITTEE PROVISIONS

For the Food Safety and Inspection Service, the Committee provides an appropriation of \$540,365,000, an increase of \$23,627,000 above the amount available for fiscal year 1995 and a decrease of \$54,524,000 below the budget request.

Funding is not included to continue the *Salmonella enteritidis* program. The egg industry has developed its own program; therefore, Federal funding is deferred.

The amount provided includes pay increases and inflation costs to maintain current services in fiscal year 1996. The total also includes administrative and staff-year savings proposed in the budget request.

The Committee provides \$8,425,000, the same amount as the budget request, for the field automation and information management project.

The amount provided does not include funds for methods development and food safety research. The agency is directed to coordinate its research needs with the Agricultural Research Service.

The Committee believes a HACCP regulatory reform process is needed to maintain the production of a clean, safe, quality meat product that ensures consumer confidence. The committee believes its objective of timely implementation of regulations that make the strongest practicable improvement in food safety is dependent upon the development of workable, scientifically sound rules. Therefore, the Committee has included language directing the Department to convert the rulemaking on Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP) Systems, the so-called "Mega-Reg," to a negotiated rulemaking procedure. The Committee expects that the Department will be able to develop more effective food safety rules due to the quality of input this procedure will permit regarding issues addressed in this rulemaking and related regulatory requirements. Further, the Committee directs the Department to proceed expeditiously with this rulemaking to avoid significant delay in the promulgation of modernized meat and poultry regulations. Specifically, the Department is expected to act promptly to initiate a negotiated rulemaking and to require a report from the negotiated rulemaking committee within nine months of its establishment.

FARM ASSISTANCE PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN
AGRICULTURAL SERVICES

1995 appropriation	\$549,000
1996 budget estimate	¹ 570,000
Provided in the bill	549,000
Comparison:	
1995 appropriation	
1996 budget estimate	– 21,000

¹ The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Farm and Foreign Agricultural Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's international affairs (except for foreign economics development) and commodity programs. The Office has oversight and management responsibilities for the Consolidated Farm Service Agency including the Commodity Credit Corporation, crop insurance, and the Foreign Agricultural Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Farm and Foreign Agricultural Services the Committee provides an appropriation of \$549,000, the same as the amount available for fiscal year 1995 and a decrease of \$21,000 below the budget request.

CONSOLIDATED FARM SERVICE AGENCY

The Consolidated Farm Service Agency (CFSA) was established by the Department of Agriculture Reorganization Act of 1994, P.L. 103–354, enacted October 13, 1994. The CFSA administers the commodity price support and production adjustment programs financed by the Commodity Credit Corporation (CCC); the warehouse examination function; the conservation reserve program (CRP); and several other conservation cost-share programs from the former Agricultural Stabilization and Conservation Service; crop insurance and other risk management programs from the former Federal Crop Insurance Corporation; and farm ownership and operating, and emergency disaster loan programs from the former Farmers Home Administration.

Production adjustment programs.—The Agricultural Act of 1949, as amended, mandates production adjustment programs for wheat, cotton, and rice when carryover stocks are at specified levels. The Food, Agriculture, Conservation, and Trade Act of 1990 (FACT Act), approved on November 28, 1990, sets farm policy through the 1996 crops. The Agricultural Adjustment Act of 1938, as amended, authorizes program parameters for tobacco and peanuts.

Designed to give farmers and ranchers the opportunity to earn incomes that are comparable with returns elsewhere in the economy, the program objectives include:

1. The maintenance of national aggregate net farm income at levels sufficient to insure investment in agriculture necessary to utilize production capacity within environmental constraints;

2. The development of agriculture policy and programs so that family farms will be strengthened and will provide adequate levels of net income per farm;

3. The support of efforts to strengthen farmers' power to bargain in the sale of farm products and the purchase of farm inputs; and

4. The continuation of the requirement for the maintenance of farmer-held and controlled grain reserves to aid in orderly marketing and for humanitarian use.

The FACT Act continues the \$50,000 limitation on deficiency and diversion payments and sets a limitation of \$75,000 on marketing loan gains, emergency compensation (Findley) payments, and loan deficiency payments. The FACT Act also continues the overall limitation of \$250,000 which includes all of the above payments as well as resource adjustment and inventory reduction payments. These limitations do not apply to support loans or purchases available to eligible program participants.

Commodity Credit Corporation program activities.—Various price support and related programs have been authorized in numerous legislative enactments since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Consolidated Farm Service Agency (CFSA) are utilized in the administration of the Commodity Credit Corporation, and the Administrator of the CSFA is also Executive Vice President of the Corporation.

Foreign assistance programs and other special activities.—Various surplus disposal programs and other special activities are conducted pursuant to the specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480 and the National Wool Act.

Farm credit programs.—The Department's reorganization has placed the farm credit programs under CFSA and is designed to facilitate improved coordination between the credit programs and CFSA's risk management, conservation, and commodity support programs. CFSA reviews applications, makes and collects loans, and provides technical assistance and guidance to borrowers. Under credit reform, administrative costs associated with Agricultural Credit Insurance Fund (ACIF) loans are appropriated to the ACIF Program Account and transferred to CFSA salaries and expenses.

Risk management.—Includes the program activities in direct support of the Federal crop insurance program as authorized by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994. The Act repealed ad hoc disaster authority and replaces disaster bills as the Federal response to emergencies involving widespread crop loss. Functions included are research and development, insurance service, compliance and emergency and noninsured assistance. Included are policy formulation, procedures, and regulations development. Reviews and evaluations are conducted for overall performance to ensure the actuarial soundness of the insurance program.

SALARIES AND EXPENSES

	<i>Appropriation</i>	<i>Transfer from program accts.</i>	<i>Total, CFSA, S&E</i>
1995 appropriation	¹ \$785,217,000	¹ (\$201,852,000)	¹ (\$987,069,000)
1996 budget estimates ..	811,771,000	(215,516,000)	(1,027,287,000)
Provided in the bill	805,888,000	(209,780,000)	(1,015,668,000)
Comparison:			
1995 appropriation .	+20,671,000	(+7,928,000)	(+28,599,000)
1996 budget esti- mates	-5,883,000	(-5,736,000)	(-11,619,000)

¹The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for Federal Crop Insurance Corporation Administrative and Operating Expenses and program account transfers to the Farmers Home Administration Salaries and Expense account are excluded. Funds appropriated for administering certain conservation programs are included. Funds appropriated for the National Appeals function are included. Funds appropriated for the EEO counseling function are included.

COMMITTEE PROVISIONS

For salaries and expenses of the Consolidated Farm Service Agency (CFSA) the Committee provides an appropriation of \$805,888,000 and transfers from other accounts of \$209,780,000, for a total program level of \$1,015,668,000, an increase of \$28,599,000 above the amount available for fiscal year 1995 and a decrease of \$11,619,000 below the budget request. The increase includes funds for office consolidation costs and \$11,795,000 for crop insurance activities for noninsured assistance programs and other services.

The Committee supports the recent reforms to the crop insurance program; however, it is concerned with the seeming overlap of sales functions between CFSA personnel and private agents. A single deliverer of crop insurance products would be preferable, but it is questionable whether private insurance can provide the service required for all farmers and ranchers. To assure adequate coverage the Committee expects the CFSA, in consultation with affected Members of Congress, state agriculture officials, and principal producer organizations, will initiate a pilot program in crop year 1996 to withdraw delivery of catastrophic policies from CFSA county offices on a state-by-state basis and provide for delivery of all Federal crop insurance policies in the state exclusively through reinsured companies and private agents. The pilot program should evaluate the ability of the private sector to assume an exclusive delivery role for Federal crop insurance, both catastrophic and "buy-up." CFSA should implement the pilot program in five states selected to provide an adequate test of a single delivery system. The Committee suggests that consideration be given to including at least one state where the majority of total Federal crop insurance policies were not sold in crop year 1995 by private sector firms or agents in order to evaluate the ability of the private sector to grow or mobilize resources to expand into such states in an orderly manner while maintaining high levels both of customer service and quality control.

CFSA should submit an operational plan for the pilot program as soon as practicable to the appropriate committees of Congress. The plan should include criteria for selection of states as well as criteria for evaluating single delivery by private agents and reporting requirements.

The Committee has serious concerns about the outdated and ineffective nature of the Federal peanut program. The General Accounting Office estimates that the program costs consumers between \$314 million and \$513 million in higher peanut prices each year as a result of the program, and the Congressional Research Service estimates that the program will cost the Federal Government \$119.5 million in 1995. While the Committee has concerns about the accuracy of the GAO study, the Committee urges the Congress to seriously evaluate and reform the program during consideration of the Farm Bill later this year. If the Congress refuses to reassess this severely outdated program, the Committee will be forced to take action next year to move toward elimination of the program.

STATE MEDIATION GRANTS

1995 appropriation	\$3,000,000
1996 budget estimate	3,000,000
Provided in the bill	2,000,000
Comparison:	
1995 appropriation	-1,000,000
1996 budget estimate	-1,000,000

This program is authorized under title V of the Agricultural Credit Act of 1987. Grants are made to states which have been certified by CFSA as having an agricultural loan mediation program. Grants will be solely for operation and administration of the state's agricultural loan mediation program.

COMMITTEE PROVISIONS

For state mediation grants the Committee provides an appropriation of \$2,000,000, a decrease of \$1,000,000 below the amount available for fiscal year 1995 and a decrease of \$1,000,000 below the budget request.

DAIRY INDEMNITY PROGRAM

1995 appropriation	
1996 budget estimate	\$100,000
Provided in the bill	100,000
Comparison:	
1995 appropriation	+100,000
1996 budget estimate	

Under the program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer losses because they are directed to remove their milk from commercial markets due to contamination of their products by registered pesticides. The program also authorizes indemnity payments to dairy farmers for losses resulting from the removal of cows or dairy products from the market due to nuclear radiation or fallout.

COMMITTEE PROVISIONS

For the dairy indemnity program the Committee provides an appropriation of \$100,000, an increase of \$100,000 above the amount available for fiscal year 1995 and the same as the budget request.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS

1995 appropriation	\$2,995,000
1996 budget estimate	3,000,000
Provided in the bill	
Comparison:	
1995 appropriation	– 2,995,000
1996 budget estimate	– 3,000,000

This program is authorized under section 2501 of title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. Grants are made to eligible community-based organizations with demonstrated experience in providing education on other agriculturally related services to socially disadvantaged farmers and ranchers in their area of influence. Also eligible are the 1890 land-grant colleges, Tuskegee University, Indian tribal community colleges, and Hispanic serving post-secondary education facilities.

COMMITTEE PROVISIONS

Due to fiscal constraints the Committee defers funding for the outreach for socially disadvantaged farmers and ranchers program. This is \$2,995,000 below the amount available for fiscal year 1995 and \$3,000,000 less than the budget request.

CONSOLIDATED FARM SERVICE AGENCY

Agriculture Credit Programs
[Dollars in thousands]

	FY 1995 level	FY 1996 request	Recommended
Farm loan programs:			
Farm ownership:			
Direct	(\$78,081)	(\$70,000)	(\$35,000)
Guaranteed	(540,674)	(540,687)	(550,000)
Farm operating:			
Direct	(500,000)	(542,860)	(400,000)
Unsubsidized guaranteed	(1,735,000)	(1,700,000)	(1,700,000)
Subsidized guaranteed	(230,000)	(200,000)	(200,000)
Emergency disaster	(100,000)	(100,000)	(100,000)
Soil and water:			
Direct		(2,898)	
Guaranteed		(1,422)	
Indian tribe land acquisition	(1,000)	(1,000)	(750)
Credit sales of acquired property		(45,000)	(22,500)
Total, farm loans	(3,184,755)	(3,203,867)	(3,008,250)

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

Farm Ownership Loans.—Makes loans to farmers and ranchers for acquiring, enlarging, or improving farms, including farm buildings, land development, use, and conservation, refinancing indebtedness, and for loan closing costs.

Operating Loans.—Makes loans to farmers and ranchers for costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies; for refinancing land and water development, use, and conservation; for refinancing indebtedness; for other farm and home needs; and for loan closing costs.

Soil and Water Loans.—Makes conservation loans to farmers and ranchers and to associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices.

Emergency Loans.—Makes loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for limited periods of time by private cooperatives or other responsible sources.

Indian Tribe Land Acquisition Loans.—Makes loans to any Indian tribe recognized by the Secretary of the Interior or tribal corporation established pursuant to the Indian Reorganization Act, which does not have adequate uncommitted funds, to acquire lands or interest in lands within the tribe's reservation or Alaskan Indian community, as determined by the Secretary of the Interior, for use of the tribe or the corporation or the members thereof.

Credit Sales of Acquired Property.—Makes loans in conjunction with the sale of security properties previously acquired during the servicing of its loan portfolio.

ESTIMATED LOAN LEVELS

1995 appropriation	(\$3,184,755,000)
1996 budget estimate	(3,203,867,000)
Provided in the bill	(3,008,250,000)
Comparison:	
1995 appropriation	(– 176,505,000)
1996 budget estimate	(– 195,617,000)

This fund makes the following loans to individuals: farm ownership, farm operating, soil and water, recreation and emergency. In addition, the fund makes loans to associations for irrigation and drainage, grazing, recreation facilities, Indian tribe land acquisition, watershed protection, flood prevention, and resource conservation and development.

COMMITTEE PROVISIONS

Approximate loan levels provided by the Committee for fiscal year 1996 for the agricultural credit insurance fund programs are: \$585,000,000 for farm ownership loans, of which \$35,000,000 is for direct loans and \$550,000,000 is for guaranteed loans; \$2,300,000,000 for farm operating loans, of which \$400,000,000 is for direct loans, \$200,000,000 is for guaranteed subsidized loans, and \$1,700,000,000 is for guaranteed unsubsidized loans; \$750,000 for Indian tribe land acquisition loans; \$100,000,000 for emergency disaster loans; and \$22,500,000 for credit sales of acquired property.

The Committee recommends that due to the shortage of available funds the Department maintain direct ownership loans at the Department level and provide for high priority situations only.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	Guaranteed loan subsidy	Administrative expenses
1995 appropriation	\$93,169,000	\$59,655,000	\$243,766,000
1996 budget estimates ..	131,474,000	56,031,000	227,258,000
Provided in the bill	99,266,000	56,339,000	221,541,000

	<i>Direct loan subsidy</i>	<i>Guaranteed loan subsidy</i>	<i>Administrative expenses</i>
Comparison:			
1995 appropriation .	+6,097,000	– 3,316,000	– 22,225,000
1996 budget estimates	– 32,208,000	+308,000	– 5,717,000

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

COMMITTEE PROVISIONS

The following table reflects the costs of loan programs under Credit Reform:

	FY 1995 enacted	FY 1996 request	Recommended
Loan subsidies:			
Farm ownership:			
Direct	\$10,983,000	\$16,373,000	\$8,187,000
Guaranteed	20,870,000	19,681,000	20,019,000
Subtotal	31,853,000	36,054,000	28,206,000
Farm operating:			
Direct	56,555,000	74,209,000	54,680,000
Guaranteed unsubsidized	9,360,000	18,360,000	18,360,000
Guaranteed subsidized	29,425,000	17,960,000	17,960,000
Subtotal	95,340,000	110,529,000	91,000,000
Soil and water loans:			
Direct		608,000	
Guaranteed		30,000	
Subtotal		638,000	
Indian tribe land acquisition	123,000	274,000	206,000
Emergency disaster	26,290,000	32,080,000	32,080,000
Credit sales of acquired property		8,226,000	4,113,000
Negative subsidies	– 782,000	– 296,000	
Total, Loan subsidies	152,824,000	187,505,000	155,605,000
ACIF expenses:			
Salaries and expenses	229,735,000	214,652,000	208,935,000
Administrative expenses	14,031,000	12,606,000	12,606,000
Total, ACIF expenses	243,766,000	227,258,000	221,541,000

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

ADMINISTRATIVE AND OPERATING EXPENSES

1995 appropriation	\$68,884,000
1996 budget estimate	
Provided in the bill	
Comparison:	
1995 appropriation	– 68,884,000
1996 budget estimate	

The Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 was designed to replace the combination of crop insurance and ad hoc disaster payment programs with a strengthened crop insurance program.

Under the new program, producers of insurable crops are eligible to receive a basic level of protection against catastrophic losses, which covers 50 percent of the normal yield at 60 percent of the expected price. The only cost to the producer is a processing fee of \$50 per policy, or \$200 for all crops grown by the producer in a county, with a cap of \$600 regardless of the number of crops and counties involved. Catastrophic (CAT) coverage is required for producers who participate in the commodity support, farm credit, and certain other farm programs. This coverage is available either through CFSA county offices or private insurance companies.

The new program also provides additional "buy-up" coverage which producers may obtain from private insurance companies. Producers who purchase this coverage receive an additional subsidy on their CAT coverage on which the price guarantee is increased to 65 percent of the expected price, rather than 60 percent for stand alone CAT coverage. Further, the delivery costs for buy-up coverage are fully subsidized.

The reform legislation also includes a noninsured assistance program (NAP) for producers of crops for which there is currently no insurance available. NAP was established to ensure that most producers of crops not yet insurable will have protection against crop catastrophes comparable to protection previously provided by ad hoc disaster assistance programs.

COMMITTEE PROVISIONS

Funding for this activity is included as part of the Consolidated Farm Service Agency.

FEDERAL CROP INSURANCE CORPORATION FUND

1995 appropriation	\$219,107,000
1996 budget estimate	¹ 1,263,708,000
Provided in the bill	1,263,708,000
Comparison:	
1995 appropriation	+1,044,601,000
1996 budget estimate	

¹ The budget requests such sums as may be necessary to remain available until expended.

The Federal Crop Insurance Act, as amended by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, authorizes the payment of expenses which may include indemnity payments; loss adjustment; noninsured crop assistance payments; delivery expenses; program-related research and development; start-up costs for implementing this legislation such as studies, pilot projects, data processing improvements, public outreach; and related tasks and functions.

All program costs for 1996, except for Federal salaries and expenses, are mandatory expenditures subject to appropriation.

COMMITTEE PROVISIONS

For the Federal Crop Insurance Corporation Fund the Committee provides an appropriation of such sums as may be necessary, the same as the budget request.

COMMODITY CREDIT CORPORATION FUND

The Corporation was organized on October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan No. 1. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feed, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

Activities of the Corporation are governed by the Agricultural Act of 1949, as amended, and the charter of the Commodity Credit Corporation. The Food, Agriculture, Conservation, and Trade Act of 1990 (1990 Act) authorizes commodity and other programs for crop years 1991 through 1996.

The 1990 Act requires support of 1991-1996 crops of sugar beets and sugarcane. Dual pricing and poundage quotas continue for peanuts, and acreage allotments continue to be suspended. The farmer-owned reserve program is continued for both wheat and feed grains.

The 1990 Act continues the dual target price and loan rate system, providing price and income support protection to farmers. Target prices are used to establish a basis for deficiency payments to producers who participate in the wheat, feed grains, cotton, and rice programs. Deficiency payments for each of these commodities are required when the target price for the commodity exceeds the national average market price or the loan rate, whichever is higher.

The 1990 Act continues the concept of marketing loans. Under certain circumstances, producers may repay nonrecourse commodity loans at less than the original loan rate. As an adjunct to the marketing loan, producers who choose not to place their crop under loan may still receive a loan deficiency payment, or the difference between the nominal loan rate and the lower repayment rate whenever marketing loans are in effect. The implementation of marketing loans is discretionary in the case of wheat, feed grains, and honey and is required for rice and upland cotton. Mandatory marketing loans have been added for soybeans, canola, flaxseed, mustard seed, rapeseed, and safflower and sunflower seeds.

The 1990 Act continues, but modifies, the authority of the Secretary to require a reduction in the acreage planted for wheat, feed grains, cotton, and rice if it is determined that supplies will otherwise be excessive. Specific programs are required when stocks are expected to exceed certain stocks-to-use ratios. Maximum acreage for deficiency payments for each program crop will be 85 percent of the base, less the acreage required to be devoted to conserving uses. Producers may plant crops other than fruits and vegetables on up to 25 percent of a crop's acreage base without suffering a reduction in base.

The 1990 Act makes minor changes in the method by which program yields and acreage bases are computed for a farm. Farmers who comply with acreage reduction requirements may also receive deficiency payments on other lands within the crop acreage base which are devoted to conserving use as long as they plant 50 percent or more of the permitted acreage to the program crop for upland cotton and rice. No minimum planting requirements apply to wheat and feed grains.

The 1990 Act continues the conservation reserve program to assist owners and operators of highly erodible land in conserving and improving soil and water resources. The 1990 Act also targets additional participation to areas which are environmentally sensitive, including areas where agriculture adversely impacts water quality. Sodbuster and swampbuster provisions prevent farm program benefits to producers who place fragile lands in production.

The 1990 Act provides for a minimum support price for milk of \$10.10 per hundredweight. On January 1 of each year, the support price must be adjusted. If the surplus is estimated to be over 5 billion pounds milk equivalent, total solids basis, the support price is reduced by 20–50 cents. If the surplus is estimated to be less than 3.5 billion pounds, the support price is increased by at least 25 cents. The 1990 Act also calls for a report to Congress on milk inventory management programs, and beginning in calendar year 1992, a reduction will be made in the price received by producers to pay for the cost of surplus purchases in excess of 7 billion pounds.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is ex officio, a director, and chairman of the board. The board consists of six members, in addition to the Secretary, who are designated according to their positions in the Department of Agriculture.

Personnel and facilities of the Consolidated Farm Service Agency, CFSA state and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$30 billion. The fiscal year 1988 Appropriations Act, P.L. 100–202, increased the statutory borrowing authority from \$25 billion to \$30 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies.

The specific powers (15 U.S.C. 714c) of the Commodity Credit Corporation are as follows:

In the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress pursuant to chapter 91 of title 31, the Corporation is authorized to use its general powers only to—

(a) Support the price of agricultural commodities through loans, purchases, payments, and other operations.

(b) Make available materials and facilities required in connection with the production and marketing of agricultural commodities.

(c) Procure agricultural commodities for sale to other government agencies, foreign governments, and domestic, foreign or international relief or rehabilitation agencies, and to meet domestic requirements.

(d) Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities.

(e) Increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and use for such commodities.

(f) Export or cause to be exported, or aid in the development of foreign markets for agricultural commodities.

(g) Carry out such other operations as the Congress may specifically authorize or provide.

REIMBURSEMENT FOR NET REALIZED LOSSES

1995 appropriation	\$15,500,000,000
1996 budget estimate	¹ 10,400,000,000
Provided in the bill	10,400,000,000
Comparison:	
1995 appropriation	— 5,100,000,000
1996 budget estimate	

¹ Amount proposed to be reimbursed through a current, indefinite appropriation.

If necessary to perform the functions, duties, obligations, or commitments of the Commodity Credit Corporation, administrative personnel and others serving the Corporation shall be paid from funds on hand or from those funds received from the redemption or sale of commodities. Such funds shall also be available to meet program payments, commodity loans, or other obligations of the Corporation.

COMMITTEE PROVISIONS

For reimbursement for net realized losses to the Commodity Credit Corporation the Committee provides \$10,400,000,000, a decrease of \$5,100,000,000 below the amount provided in fiscal year 1995 and the same as the budget request.

The Department of Agriculture is urged to implement an Export Enhancement program wheat flour initiative of no more than 200,000 metric tons to Vietnam.

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE
MANAGEMENT

(LIMITATION ON ADMINISTRATIVE EXPENSES)

1995 appropriation	(\$5,000,000)
1996 budget estimate	(5,000,000)
Provided in the bill	(5,000,000)
Comparison:	
1995 appropriation	
1996 budget estimate	

The Commodity Credit Corporation's (CCC) hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, and the Resource Conservation and Recovery Act, as amended.

Investigative and cleanup costs associated with the management of CCC hazardous waste are paid from USDA's hazardous waste management appropriation. CCC funds operations and maintenance costs only.

COMMITTEE PROVISIONS

For CCC operations and maintenance for hazardous waste management the Committee provides a limitation of \$5,000,000, the same as the amount available for fiscal year 1995 and the same as the budget request.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

1995 appropriation	\$677,000
1996 budget estimate	¹ 696,000
Provided in the bill	677,000
Comparison:	
1995 appropriation	
1996 budget estimate	– 19,000

¹ The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Natural Resources and Environment provides direction and coordination in carrying out the laws enacted by the Congress with respect to natural resources and the environment. The Office has oversight and management responsibilities for the Natural Resources Conservation Service and the Forest Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Natural Resources and Environment the Committee provides an appropriation of \$677,000, the same as the amount available in fiscal year 1995 and a decrease of \$19,000 below the budget request.

NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service (NRCS) was established pursuant to Public Law 103–354, the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). NRCS combines the authorities of the former Soil Conservation Service, as well as three natural resource conservation cost-share programs previously administered by the Agricultural Stabilization and Conservation Service. Through the years, this Service, together with the agricultural conservation programs and over 2 million conservation district cooperatives, has been a major factor in holding down pollution. The Natural Resources Conservation Service works with conservation districts, watershed groups, and Federal and state agencies having related responsibilities in water resources, to provide for agricultural production on a sustained basis, and reduce damage caused by flood and sedimentation. The NRCS, with its dams, debris basins, and planned watersheds, provides technical advice to the agricultural conservation programs, where the Federal government pays about one-third of the cost, and, through these programs, has done perhaps more to hold down pollution than any other activity. These programs and water sewage systems in rural areas tend to hold pollution back

from the areas of greatest damage, the rivers and harbors near our cities.

The watershed improvement programs of the Department of Agriculture were initiated by the authorization of planning and works of improvement on the original 11 major watersheds covered by the Flood Control Act of 1944. In 1953, the Committee provided \$5,000,000 in the 1954 Appropriations Act, without a prior budget estimate, to authorize 62 small "pilot" watershed projects to promote national interest in small upstream watershed control. These pilot projects were a tremendous success. The following year, the 83rd Congress enacted Public Law 566, which placed this program on a permanent basis. Under the authority of section 8 of this same Act, as amended, loans to local organizations were authorized to help defray a portion of the local share of the cost of watershed protection and flood prevention projects. These programs are now financed through three appropriations designated as "river basin surveys and investigations," "watershed planning," and "watershed and flood prevention operations."

CONSERVATION OPERATIONS

1995 appropriation	¹ \$586,972,000
1996 budget estimate	645,735,000
Provided in the bill	629,986,000
Comparison:	
1995 appropriation	+43,014,000
1996 budget estimate	-15,749,000

¹ The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for the appeals staff and Civil Rights Enforcement are included. Funds transferred from CFSA for program administration are excluded. Amount does include transfers of \$22,500,000 from CRP and \$8,410,000 from WRP unobligated balances as provided for in P.L. 103-330.

The purpose of conservation operations is to sustain agricultural productivity and protect and enhance the natural resource base. This is done through providing technical assistance to land users, communities, units of state and local government, and other Federal agencies in planning and implementing natural resources solutions to reduce erosion, improve soil and water quantity and quality, improve and conserve wetlands, enhance fish and wildlife habitat, improve air quality, improve pasture and range conditions, reduce upstream flooding, and improve woodlands. Assistance is also provided to implement highly erodible land (HEL), wetlands (swampbuster), wetlands reserve program (WRP), and conservation reserve program (CRP) provisions of the 1985 Food Security Act as amended by the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 3801 et. seq.).

COMMITTEE PROVISIONS

Funds for the Natural Resources Conservation Service are for the continuation of the regular soil conservation practices and come within the provision of law that appropriated funds shall be used only for the purposes for which appropriated (31 U.S.C. 1301).

For conservation operations the Committee provides an appropriation of \$629,986,000, an increase of \$43,014,000 above the amount available for fiscal year 1995 and a decrease of \$15,749,000 below the budget request. The total includes \$5,000,000 increase

for grazing lands conservation initiative. The total does not include funding for the Center of Excellence.

The Committee provides \$300,000 to continue to promote pastureland management and rotational grazing in central New York.

The Committee provides \$400,000 to continue work on the Hungry Canyon erosion control project in Iowa. NRCS should coordinate its work with the Loess Hills Development and Conservation Authority.

The Committee provides \$250,000 to continue work on the Skaneateles and Owasco, New York watersheds in establishing best management practices to individual farmers to reduce the impact of agriculture-related non-point sources of pollution.

The Committee provides \$350,000 to continue work on the Great Lakes Basin Program for Soil and Erosion Sediment Control.

The Committee is aware of and urges NRCS to continue its support for the Adams County, Iowa, Conservation Reserve Program Research Farm.

The Committee provides \$150,000 to complete the McKenzie River Basin project.

The Committee provides \$200,000 to continue work on the Mud Creek, Michigan irrigation project.

The Committee provides \$300,000 for whole farm planning in the New York City watershed.

The Committee provides \$200,000 for technical assistance to the Westchester County, New York Soil & Water Conservation District.

The Committee recognizes the work of the Land Use Law Center at the Pace University School of Law in watershed protection and agricultural land and open-space conservation in Westchester County and the Lower Hudson region, and encourages the NRCS to utilize the expertise of the University in its efforts.

WATERSHED SURVEYS AND PLANNING

1995 appropriation	¹ \$23,516,000
1996 budget estimate	¹ 18,752,000
Provided in the bill	14,000,000
Comparison:	
1995 appropriation	—9,516,000
1996 budget estimate	—4,752,000

¹ Includes amounts for River Basin Surveys and Investigations and Watershed Planning.

River Basin Surveys and Investigations.—Section 6 of the Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.), as amended (16 U.S.C. 1006–1009), provides for cooperation with other Federal, state, and local agencies in making investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. Reports of the investigations and surveys are prepared to serve as a guide for the development of agricultural, rural, and upstream watershed aspects of water and related land resources, and as a basis for coordination of this development with downstream and other phases of water development.

Watershed Planning.—The Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.), as amended (16 U.S.C. 1001–1008), provides for cooperation between the Federal govern-

ment and the states and their political subdivisions in a program of watershed planning. Watershed plans form the basis for installing works of improvement for floodwater retardation, erosion control, and reduction of sedimentation in the watershed of rivers and streams and to further the conservation, development, utilization, and disposal of water.

The work of the Department in watershed planning consists of assisting local organizations to develop their watershed work plan by making investigations and surveys in response to requests made by sponsoring local organizations. These plans describe the soil erosion, water management, and sedimentation problems in a watershed and works of improvement proposed to alleviate these problems. Plans also include estimated benefits and costs, cost-sharing and operating and maintenance arrangements, and other appropriate information necessary to justify Federal assistance for carrying out the plan.

COMMITTEE PROVISIONS

For the watershed surveys and planning programs the Committee provides an appropriation of \$14,000,000.

The river basin surveys and investigations program conducts investigations and surveys of the watersheds of rivers and other waterways. The watershed planning program conducts investigations and surveys of watersheds and develops watershed work plans in response to requests made by sponsoring local organizations. The Committee has consolidated funding for these two programs into a single appropriation for watershed surveys and planning. The Committee believes that this will give the Department greater flexibility to meet the needs of its customers especially in these times of extremely tight fiscal constraints. The Committee expects the Department to prioritize requests and projects and fund only those that provide the greatest conservation return for the dollar.

WATERSHED AND FLOOD PREVENTION OPERATIONS

1995 appropriation	\$70,000,000
1996 budget estimate	100,000,000
Provided in the bill	100,000,000
Comparison:	
1995 appropriation	+30,000,000
1996 budget estimate	

The Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.), as amended (16 U.S.C. 1001–1005, 1007–1009), provides for cooperation between the Federal government and the states and their political subdivisions in a program to prevent erosion, flood-water, and sediment damages in the watersheds or rivers and streams and to further the conservation, development, utilization, and disposal of water.

The work of the Department under this item includes technical and financial assistance for the installation of works of improvement specified in approved watershed work plans including structural measures, land treatment measures, and program evaluation studies in selected watershed projects to determine the effectiveness of structural and land treatment measures installed; and

making loans to local organizations to finance the local share of the costs of installing planned works of improvement.

COMMITTEE PROVISIONS

For watershed and flood prevention operations the Committee provides an appropriation of \$100,000,000, an increase of \$30,000,000 above the amount available for fiscal year 1995 and the same as the budget request.

The Committee is aware of and expects progress to continue on the following projects: Honey Creek, Indiana; Little Red River Watershed, White County, Arkansas; Upper North Bosque River Watershed, Texas; Lake Carlinville, Illinois; and the four pilot projects in North Florida related to dairy and poultry cleanup efforts.

CONSERVATION PROGRAMS

1995 appropriation	¹ \$59,142,000
1996 budget estimate	49,206,000
Provided in the bill	47,000,000
Comparison:	
1995 appropriation	– 12,142,000
1996 budget estimate	– 2,206,000

¹ Includes amounts for Resource Conservation and Development, Great Plains Conservation Program, Forestry Incentives Program, and Colorado River Basin Salinity Control Program.

Resource Conservation and Development.—The Natural Resources Conservation Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

Great Plains Conservation Program.—The Great Plains conservation program was authorized under Public Law 84–1021, 84th Congress (16 U.S.C. 590p), as amended. Public Law 91–118 extended the Great Plains cost-share contracting authority to December 31, 1981. Public Law 96–263 extended the program until September 30, 1991. Public Law 101–624 extended the program until September 30, 2001. This program provides technical assistance and long-term cost sharing to land users in the counties of the Great Plains States plagued with recurring wind erosion problems. It is designed to provide needed protection and improvement of soil, water, plant, and wildlife resources of this vast agricultural area. Installation of complete conservation programs on entire operating units in the area helps to stabilize the local economy while assisting the individual producer. The work supplements other soil and water conservation programs and activities in counties designated by the Secretary. It is also coordinated with programs and objectives of locally managed conservation districts, state agencies, and community groups. This program contributes to total environmental im-

provement through reduction of wind and water erosion and sedimentation and abatement of agriculture-related pollutants.

Forestry Incentives Program.—The forestry incentives program is authorized by the Cooperative Forestry Assistance Act of 1978 (Public Law 95–313), as amended by section 1214, title XII, of the Food, Agriculture, Conservation, and Trade Act of 1990. Its purpose is to encourage the development, management, and protection of nonindustrial private forest lands. This program will be carried out by providing technical assistance and long-term cost sharing agreements with private landowners.

Colorado River Basin Salinity Control Program.—The Colorado River Basin salinity control program was established by section 101 of title II of the Colorado River Basin Salinity Control Act of 1974 (Public Law 93–320), as amended. The program began as a cooperative endeavor by the Agricultural Stabilization and Conservation Service (ASCS), Soil Conservation Service (SCS), and Extension Service (ES). The Secretary's Reorganization transferred the functions of this program solely to NRCS. The program is to assist landowners and others in the Colorado River Basin in establishing on-farm irrigation management systems and related lateral improvement measures to decrease the salt load and sedimentation level in the Colorado River and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico.

COMMITTEE PROVISIONS

For the resource conservation and development program, the great plains conservation program, the forestry incentives program, and the Colorado River basin salinity control program the committee provides an appropriation of \$47,000,000.

The Committee has consolidated funding for these four programs into a single appropriation. The Committee believes that this will give the Department greater flexibility to meet the needs of its customers especially in these times of extremely tight fiscal constraints. The Committee expects the Department to prioritize requests and projects and fund only those that provide the greatest conservation return for the dollar.

WETLANDS RESERVE PROGRAM

1995 appropriation	\$93,200,000
1996 budget estimate	210,000,000
Provided in the bill	77,000,000
Comparison:	
1995 appropriation	– 16,200,000
1996 budget estimate	– 133,000,000

The wetlands reserve program (WRP) is authorized by title XIV, section 1438 of the Food, Agriculture, Conservation, and Trade Act of 1990 (FACT Act), as amended by the 1993 Omnibus Reconciliation Act, which requires the Secretary to enroll not less than 330,000 acres by the end of calendar year 1995, and not less than 975,000 by the end of calendar year 2000. WRP is one component of the larger environmental conservation acreage reserve program (ECARP), which also includes the existing conservation reserve program (CRP). The primary objectives of the WRP are to preserve,

protect, and restore wetlands, improve wildlife habitat, and protect migratory bird habitat. The Secretary of Agriculture, through designated county offices, uses program funds to enter into contracts with landowners who operate farmed or converted wetlands, farmed wetlands, or prior converted wetlands and adjoining land in CRP or riparian corridors. The contracts provide permanent easements or easements of 30 years or the maximum allowable under state law. Technical assistance is provided by the Natural Resources Conservation Service and the Fish and Wildlife Service.

COMMITTEE PROVISIONS

Funding is provided for an additional 100,000 acres to be added to the wetlands reserve program. The Committee strongly supports the restoration of our nation's wetlands. Since the program was first funded, close to 300,000 acres have been enrolled in the program. The Committee believes its actions of limiting the number of acres allowed into the program each year has resulted in a most cost-effective and environmentally beneficial program.

CONSOLIDATED FARM SERVICE AGENCY

The CFSA administers the following conservation programs:

AGRICULTURAL CONSERVATION PROGRAM

1995 appropriation	\$100,000,000
1996 budget estimate	50,000,000
Provided in the bill	75,000,000
Comparison:	
1995 appropriation	- 25,000,000
1996 budget estimate	+25,000,000

This program is authorized by the provisions of sections 7 to 16(a) inclusive, 16(f), and section 27 of the Soil Conservation and Domestic Allotment Act, as amended. Its objectives include: (1) restoring and improving soil fertility; (2) reducing erosion caused by wind and water; and (3) conserving water on land. Cost sharing assistance is furnished to individual farmers and ranchers in the 50 States, Puerto Rico, and the Virgin Islands for carrying out approved, soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practices. The farmer bears the balance of the cost and, in addition, supplies labor and management necessary to carry out the practices.

Conservation practices under this program are developed initially at the local level by CFSA state and county committees, the Natural Resources Conservation Service, and the Forest Service, representatives of the land-grant colleges, state conservation committees, and other state and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Consolidated Farm Service Agency in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the National program approved by the Secretary. No practices are

adopted and put into effect in any state or county unless approved by the local conservation groups.

In terms of accomplishments, this program has resulted in the planting of over 10.5 million acres of trees, the construction of over 2.7 million water impoundment structures, and the terracing of over 44.8 million acres of land. It has been a first line of protection through the years against floods, drought, dust storms, soil erosion, and other recurring onslaughts against natural resources. The following table from the Department of Agriculture indicates the significant contribution of the agricultural conservation program to the national conservation efforts:

AGRICULTURAL CONSERVATION PROGRAM—PRACTICES PERFORMED IN 1994 AND TOTAL ACCOMPLISHMENTS
1936–1994

Practice	Unit	Extent under 1994 program	Total accomplish- ments 1936–1994
Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses.	1,000 structures	14	2,688
Agricultural waste control and diversion facilities	1,000 structures	4	¹ 65
Terraces constructed to reduce erosion, conserve water, or prevent or abate pollution.	1,000 acres	678	44,767
Stripcropping systems established to reduce wind or water erosion or to prevent or abate pollution.	1,000 acres	70	116,842
Trees or shrubs planted for forestry purposes, erosion control or environmental enhancement.	1,000 acres	213	10,493
Forest tree stands improved for forestry purposes, or environmental enhancement.	1,000 acres	37	5,483
Wildlife conservation	1,000 acres	36	² 15,179
Sediment pollution-abatement structures or runoff control measures.	1,000 acres	451	¹ 24,129
Conservation tillage including reduced tillage and no-till.	1,000 acres	527	³ 9,577

¹ From 1970.

² From 1962 with certain data estimated.

³ From 1973.

COMMITTEE PROVISIONS

For the agricultural conservation program the Committee provides an appropriation of \$75,000,000, a decrease of \$25,000,000 below the amount available for fiscal year 1995 and an increase of \$25,000,000 above the budget request.

Included within this amount is \$11,000,000 for the water quality incentives program.

Included in the funding for the water quality incentives program is \$220,000, the same as the amount available for fiscal year 1995, to continue a demonstration project to reduce atrazine levels in Carlinville, Otter, and Hettick Lakes in Macoupin County, Illinois.

Also included in the funding for the water quality incentives program is \$150,000, the same as the amount available for fiscal year 1995, to continue to assist farmers surrounding Lake Otisco in central New York in implementing best management practices.

EMERGENCY CONSERVATION PROGRAM

1995 appropriation	¹
1996 budget estimate	\$3,000,000
Provided in the bill .....	.....

Comparison:

1995 appropriation	
1996 budget estimate	- 3,000,000

¹ \$23,000,000 transferred from funding appropriated to Watershed and Flood Prevention Operations by P.L. 103-211, the Emergency Supplemental Appropriations Act of 1994.

This appropriation funds the activities authorized by the Agricultural Credit Act of 1978 (P.L. 95-334). Under the program, the government shares a portion of the cost (up to 80%) of carrying out approved practices to assist and encourage farmers to rehabilitate farmlands damaged by natural disasters.

Funds are allocated for use only in those counties designated as disaster counties. Assistance is made available to treat new conservation problems which: (1) if not treated, will impair or endanger the land; (2) materially affect the productive capacity of the land; (3) represent damage which is unusual in character and except for wind erosion is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

COMMITTEE PROVISIONS

Due to fiscal constraints the Committee does not include funding for the emergency conservation program.

CONSERVATION RESERVE PROGRAM

1995 appropriation	\$1,743,274,000
1996 budget estimate	1,926,370,000
Provided in the bill	1,781,785,000
Comparison:	
1995 appropriation	+38,511,000
1996 budget estimate	- 144,585,000

The conservation reserve program (CRP) authorized by the Food Security Act of 1985, as amended by sections 1411-1499 of the Food, Agriculture, Conservation, and Trade Act of 1990 (FACT Act), was established as a voluntary program to help farmers prevent or control the critical soil erosion on highly erodible and environmentally sensitive cropland. Unchecked, soil erosion would reduce the nation's long-term capability to produce food and fiber and adversely impact water quality and wildfire resources.

The FACT Act, as amended by the Omnibus Budget Reconciliation Act of 1993, requires that not less than 38,000,000 acres be enrolled in CRP by the end of calendar year 1995.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands on all cropland meeting the eligibility criteria. Cropland is defined as land that has been annually tilled to produce an agricultural commodity, including sugarcane, other than orchards, vineyards, or ornamental planting or has been set aside in a production adjustment program in two of the five crop years immediately preceding 1991 and is suitable for crop production. Alfalfa and other grasses and legumes in rotation are considered an agricultural commodity for CRP purposes.

The CRP is administered under the general supervision of the Administrator, CFSA, and is carried out in the field by state and local CFSA committees. Technical assistance is provided by the Natural Resources Conservation Service, which determines eligi-

bility of the land and assists farmers in preparing conservation plans. The Forest Service and cooperating state forestry agencies plan for tree planting and install planned practices involving trees.

Under the program, farmers enter into a 10-year contract with USDA to take eligible land out of annual crop production and put it into permanent vegetative cover. The option of 15-year contracts is offered to farmers willing to plant trees.

Farmers decide what eligible cropland to offer for the reserve and bid what they would accept for an annual rental payment for the 10-year or 15-year period at the time of application. In addition, farmers receive one-time payments of 50 percent of the eligible costs of establishing vegetative cover on the reserve acreage.

COMMITTEE PROVISIONS

For the conservation reserve program the Committee provides an appropriation of \$1,781,785,000, an increase of \$38,511,000 above the amount available for fiscal year 1995 and a decrease of \$144,585,000 below the budget request. The amount provided is to make rental payments on the 36.4 million acres enrolled in the program and to cover the costs related to cost-sharing practices in establishing vegetative cover. No additional signups are proposed for fiscal year 1996.

TITLE III—RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

The Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103-354) abolished the Farmers Home Administration, Rural Development Administration, and Rural Electrification Administration and replaced those agencies with the Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, and Rural Utilities Service and placed them under the oversight of the Under Secretary for Rural Economic and Community Development. These agencies deliver a variety of programs through a network of state, district, and county offices.

In the 1930's and 1940's these agencies were primarily involved in making small loans to farmers; however, today these agencies have a multi-billion dollar loan program throughout the United States providing loan and grant assistance for single family and multi-family housing, special housing needs, a variety of community facilities, infrastructure, and business development programs.

OFFICE OF THE UNDER SECRETARY FOR RURAL ECONOMIC AND COMMUNITY DEVELOPMENT

1995 appropriation	\$568,000
1996 budget estimate	¹ 586,000
Provided in the bill	568,000
Comparison:	
1995 appropriation	
1996 budget estimate	- 18,000

¹ The 1996 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Rural Economic and Community Development provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's rural economic and community development activities. The Office has oversight and management responsibilities for the Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, and the Rural Utilities Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Rural Economic and Community Development the Committee provides an appropriation of \$568,000, the same as the amount available for fiscal year 1995 and a decrease of \$18,000 below the budget request.

RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE

The Rural Housing and Community Development Service (RHCDs) was established under the Federal Crop Insurance Re-

form and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994 (Public Law 103-354). Its programs were previously administered by the Farmers Home Administration and the Rural Development Administration.

The mission of the Service is to improve the quality of life in rural America by assisting rural residents and communities in obtaining adequate and affordable housing and access to needed community facilities. The goals and objectives of the Service are to: (1) facilitate the economic revitalization of rural areas by providing direct and indirect economic benefits to individual borrowers, families, and rural communities; (2) assure that benefits are communicated to all program eligible customers with special outreach efforts to target resources to underserved, impoverished, or economically declining rural areas; (3) lower the cost of programs while retaining the benefits by redesigning more effective programs that work in partnership with state and local governments and the private sector; and (4) leverage the economic benefits through the use of low-cost credit programs, especially guaranteed loans.

[Dollars in thousands]

	FY 1995 level	FY 1996 request	FY 1996 provision
Rural Housing Insurance Fund Program Account:			
Low-income family housing (sec. 502):			
Direct	(\$1,200,000)	(\$1,200,000)	(\$900,000)
Unsubsidized guaranteed	(1,000,000)	(1,300,000)	(1,500,000)
Rental housing (sec. 515)	(220,000)	(220,000)	(150,000)
Housing repair (sec. 504)	(35,000)	(35,000)	(35,000)
Farm labor (sec. 514)	(15,915)	(16,482)	(15,000)
Credit sales of acquired property		(75,000)	(35,000)
Site loans (sec. 524)	(632)	(632)	(600)
Total, RHIF	(2,471,547)	(2,847,114)	(2,635,600)
Self-help housing land development fund	(603)	(603)	(603)
Community Facility Loans Program:			
Direct	(225,000)	(250,000)	(200,000)
Guaranteed	(75,000)	(100,000)	(75,000)
Total, Rural Community Facility Loans Program	(300,000)	(350,000)	(275,000)
Rural Housing & Community Development Service Grants & Payments:			
Very low-income housing repair grants	24,900	24,900	24,900
Rural housing for domestic labor	10,900	10,900	10,000
Mutual and self-help housing	12,650	12,650	12,650
Supervisory and technical assistance grants		2,500	
Rural community fire protection grants	3,400		1,000
Compensation for construction defects	495	495	495
Rural housing preservation grants	22,000	22,000	11,000
Rental assistance	523,008	571,483	535,900
Rural housing performance partnerships program		90,602	
Total, Rural Housing & Community Grants & Payments	597,353	735,530	595,945
Total, RHCDS Loans and Grants	(3,369,503)	(3,933,247)	(3,507,148)

RURAL HOUSING PERFORMANCE PARTNERSHIPS PROGRAM

1995 appropriation	
1996 budget estimate	\$90,602,000
Provided in the bill	

Comparison:

1995 appropriation	
1996 budget estimate	-90,602,000

On May 2, 1995, the President sent to Congress amendments to the fiscal year 1996 appropriation request for the Department of Agriculture. With these amendments the Administration proposes to establish a rural development performance partnerships program which would consolidate funding from 14 rural development programs into three areas: housing, business development, and water and waste disposal.

COMMITTEE PROVISIONS

The Committee is not funding this program in fiscal year 1996. It is funding the individual rural housing programs separately.

Under the Rural Housing and Community Development Service, the program would consolidate the rural community facility insurance fund, both direct and guaranteed loans, the rural housing insurance fund, the rental assistance program and rural community fire protection grants.

According to the Administration's proposal, funds would be sent to the states for allocation by state directors. Certain percentages of funds available nationwide could be reallocated by the Department and certain percentages of the funds available to state directors could be transferred among programs.

The Committee believes that the rural development performance partnerships program may have considerable potential, particularly in this time of scarce budget resources. The Committee commends the Administration and the Department of Agriculture for seeking new ways to make rural development programs more effective.

However, the proposal was submitted in May of 1995, well after the Committee heard testimony from the Administration and outside witnesses on the fiscal year 1996 proposed budget. The Committee is concerned that it has not had the opportunity to review the details of the operation of the rural development performance partnerships program. The Committee also has not had the opportunity to hear from community development organizations, state, local, and tribal officials and other interested parties who would be involved in the program.

The Committee is providing funds for the water and waste disposal segment of the rural development performance partnerships program which consists of the rural water and waste disposal grants, solid waste management grants, and water and waste disposal facility loans.

The Committee will closely monitor this program and consider the application of the rural development performance partnerships concept to other areas of rural development. The Committee invites comments from community development organizations on the Administration's proposal and on the operation of the water and waste disposal program.

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1995 loan level	(\$2,471,547,000)
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1996 budget estimate	(2,847,114,000)
Provided in the bill	(2,635,600,000)
Comparison:	
1995 loan level	(+164,053,000)
1996 budget estimate	(- 211,514,000)

This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended. This fund may be used to insure or guarantee rural housing loans for single family homes, rental and cooperative housing, farm labor housing, and rural housing sites. Rural housing loans are made to construct, improve, alter, repair, or replace dwellings and essential farm service buildings that are modest in size, design, and cost. Rental housing insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate-cost rental housing and related facilities for elderly and low-income persons in rural areas. These loans are repayable in not to exceed 50 years. Farm labor housing insured loans are made either to a farm owner or to a public or private nonprofit organization to provide modest living quarters and related facilities for domestic farm labor. Loan programs are limited to rural areas which include towns, villages, and other places of not more than 10,000 population, which are not part of an urban area. Loans may also be made in areas with a population in excess of 10,000 but less than 20,000, if the area is not included in a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

COMMITTEE PROVISIONS

This program was proposed as part of the rural development performance partnerships program for fiscal year 1996.

For the section 502 direct rural housing loan program, the Committee provides a level of \$900,000,000, a decrease of \$300,000,000 below the fiscal year 1995 level and \$300,000,000 below the budget request.

For section 502 unsubsidized guaranteed loans, the Committee provides for an approximate level of \$1,500,000,000, an increase of \$500,000,000 above the fiscal year 1995 level and an increase of \$200,000,000 above the budget request.

For the section 515 multi-family rural rental housing program, the Committee provides for a level of \$150,000,000, a decrease of \$70,000,000 below the fiscal year 1995 level and a decrease of \$70,000,000 below the budget request.

The Committee notes that the authorization for the section 515 program expired on September 30, 1994. The bill language prohibits any use of funds for the section 515 program until the program is authorized.

The Committee is aware of only a few instances in which the cooperative housing authority in the section 515 program has been used. The Committee believes that more attention should be given to the use of the cooperative housing model. Use of section 515 to finance cooperative housing will increase the range of home ownership choices for low-income households in rural areas. Therefore, the Committee expects the Rural Housing and Community Development Service to give strong consideration to cooperative housing

applications and to ensure that greater emphasis is placed on cooperative housing authority under section 515.

Estimated loan levels for other programs provided by the Committee are: \$35,000,000 for very low-income housing repair loans (section 504), the same level as provided in fiscal year 1995 and the same as the budget request; \$15,000,000 for farm labor housing loans (section 514), a decrease of \$915,000 below the fiscal year 1995 level and \$1,482,000 below the budget request; \$600,000 for site loans, a decrease of \$32,000 below the fiscal year 1995 level and \$32,000 below the budget request; and \$35,000,000 for the credit sales of acquired property, a decrease of \$40,000,000 below the budget request. No funds were provided for this program in fiscal year 1995.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Guaranteed loan subsidy</i>	<i>Administrative expenses</i>
1995 appropriation	\$362,621,000	\$17,200,000	\$389,818,000
1996 budget estimates ..	381,601,000	2,210,000	395,211,000
Provided in the bill	299,867,000	2,550,000	390,211,000
Comparison:			
1995 appropriation .	- 62,754,000	- 14,650,000	+393,000
1996 budget estimates	- 81,734,000	+340,000	- 5,000,000

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

COMMITTEE PROVISIONS

The following table reflects the cost of the loan programs under Credit Reform. In many cases, changes from the fiscal year 1995 amount reflect changes in the loan subsidy rates as set by OMB.

(Dollars in thousands)

	FY 1995 enacted	FY 1996 request	House bill
Loan subsidies:			
Single family (sec. 502):			
Direct	\$227,520	\$251,880	\$188,910
Unsubsidized guaranteed	17,200	2,210	2,550
Housing repair (sec. 504)	11,690	14,193	14,193
Farm labor (sec. 514)	7,911	9,482	8,629
Rental housing (sec. 515):			
Direct	115,500	92,973	82,035
Unsubsidized guaranteed	(1,000)		
Credit sales of acquired property		13,073	6,100
Total, loan subsidies	379,821	383,811	302,417
RHIF expenses:			
Administrative expenses	389,818	395,211	390,211

RENTAL ASSISTANCE PROGRAM

1995 appropriation	\$523,008,000
1996 budget estimate	571,483,000
Provided in the bill	535,900,000

Comparison:

1995 appropriation	+12,892,000
1996 budget estimate	-35,583,000

The Housing and Community Development Act of 1974 established a rural rental assistance program to be administered by the former Farmers Home Administration through the rural housing loans programs.

The objective of the program is to reduce rents paid by low-income families living in Rural Housing and Community Development Service financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of: (1) 30 percent of monthly adjusted income; (2) 10 percent of monthly income; or (3) designated housing payments from a welfare agency.

Payments from the fund are made to the project owner for the difference between the tenant's payment and the approved rental rate established for the unit.

The program is administered in tandem with Rural Housing and Community Development Service section 515 rural rental and cooperative housing programs and the farm labor loan and grant programs. Priority is given to existing projects for units occupied by low-income families to renew expiring contracts. Remaining funding will be used for projects receiving new construction commitments under sections 514, 515, or 516 for very low-income families with certain limitations and to provide additional rental assistance units to existing projects.

COMMITTEE PROVISIONS

For rental assistance for both new (additional) and renewal units the Committee provides a program level \$535,900,000, an increase of \$12,892,000 above the amount available for fiscal year 1995 and a decrease of \$35,583,000 below the budget request. Of the amount provided, \$530,000,000 is available for section 521 rental assistance and \$5,900,000 is for the section 502(c)(5)(D) program.

This program was proposed as part of the rural development performance partnerships program for fiscal year 1996.

SELF-HELP HOUSING LAND DEVELOPMENT FUND

ESTIMATED LOAN LEVEL

1995 loan level	(\$603,000)
1996 budget estimate	(603,000)
Provided in the bill	(603,000)
Comparison:	
1995 loan level .....	.....
1996 budget estimate .....	.....

This fund is authorized by section 523(b)(1)(B) of the Housing Act of 1949, as amended. It is used as a revolving fund for making loans to public and private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to eligible families, nonprofit organization, and cooperatives.

COMMITTEE PROVISIONS

For loans for the self-help housing land development fund the Committee provides \$603,000, the same loan level as fiscal year 1995 and the same loan level as the budget request.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

The following table reflects the cost of the loan programs under Credit Reform. In many cases, changes from the fiscal year 1995 amount reflect changes in the loan subsidy rates as set by OMB.

	<i>Direct loan subsidy</i>	<i>Administrative expenses</i>
1995 appropriation	\$11,000	\$14,000
1996 budget estimates	31,000	.....
Provided in the bill	31,000	.....
Comparison:		
1995 appropriation	+20,000	- 14,000
1996 budget estimates .....	.....	.....

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

COMMUNITY FACILITY LOANS

ESTIMATED LOAN LEVEL

1995 loan level	(\$300,000,000)
1996 budget estimate	(350,000,000)
Provided in the bill	(275,000,000)
Comparison:	
1995 loan level	(- 25,000,000)
1996 budget estimate	(- 75,000,000)

This fund created by the Rural Development Act of 1972, finances a variety of rural community facilities.

Community Facility Loans.—Loans are made to organizations, including certain Indian tribes and corporations not operated for profit and public and quasi-public agencies, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development such as fire and rescue services, health care, transportation, community, social, and cultural benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 people. Health care and fire and rescue facilities are the priorities of the program and receive the majority of available funds.

COMMITTEE PROVISIONS

For community facility loans the Committee provides \$275,000,000, a decrease of \$25,000,000 below the fiscal year 1995 level and a decrease of \$75,000,000 below the budget request. This program was proposed as a part of the rural development performance partnerships program for fiscal year 1996.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Guaranteed loan subsidy</i>	<i>Administrative expenses</i>
1995 appropriation	\$21,375,000	\$3,728,000	.....
1996 budget estimates ..	43,600,000	4,740,000	\$11,247,000
Provided in the bill	34,880,000	3,555,000	\$8,836,000
Comparison:			
1995 appropriation .	+13,505,000	- 173,000	+8,836,000
1996 budget estimates	- 8,720,000	- 1,185,000	- 2,411,000

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

VERY LOW-INCOME HOUSING REPAIR GRANTS

1995 appropriation	\$24,900,000
1996 budget estimate	24,900,000
Provided in the bill	24,900,000
Comparison:	
1995 appropriation .....	.....
1996 budget estimate .....	.....

This grant program is authorized under section 504 of title V of the Housing Act of 1949, as amended. The rural housing repair grant program is carried out by making grants to very low-income elderly owner-occupants to make necessary repairs to their homes in order to make such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community.

These grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. A grant can be made in combination with a section 504 very low-income housing repair loan.

No assistance can be extended to any one individual in the form of a loan, grant, or combined loans and grants in excess of \$5,000 and grant assistance is limited to persons, or families headed by persons, who are 62 years of age or older.

COMMITTEE PROVISIONS

For the very low-income housing repair grants for the elderly, the Committee provides an appropriation of \$24,900,000, the same amount available for fiscal year 1995 and the same as the budget request.

RURAL HOUSING FOR DOMESTIC FARM LABOR

1995 appropriation	\$10,900,000
1996 budget estimate	10,900,000
Provided in the bill	10,000,000

Comparison:

1995 appropriation	– 900,000
1996 budget estimate	– 900,000

Financial assistance in the form of grants is authorized to public or private nonprofit organizations or other eligible organizations for low-rent housing and related facilities for domestic farm labor.

Under section 516 of the Housing Act of 1949, the Rural Housing and Community Development Service is authorized to share with states or other political subdivisions, public or private nonprofit organizations, or nonprofit organizations of farm workers, the cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers. Such housing may be for year-round or seasonal occupancy and consist of family units, apartments, or dormitory-type units, constructed in an economical manner, and not of elaborate or extravagant design or materials. Grant assistance may not exceed 90 percent of the total development cost. Applicants furnish as much of the development cost as they can afford by using their own resources, by borrowing either directly from private sources, or by obtaining an insured loan under section 514 of the Housing Act. The applicant must agree to charge rentals which do not exceed amounts approved by the Secretary, maintain the housing at all times in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

The obligations incurred by the applicant as a condition of the grant continue for 50 years from the date of the grant unless sooner terminated by the Rural Housing and Community Development Service. Grant obligations are secured by a mortgage of the housing or other security. In the event of default, the Rural Housing and Community Development Service has the option to require repayment of the grant.

COMMITTEE PROVISIONS

For grants for rural housing for domestic farm labor the Committee provides an appropriation \$10,000,000, a decrease of \$900,000 below the amount available for fiscal year 1995 and a decrease of \$900,000 below the budget request.

MUTUAL AND SELF-HELP HOUSING GRANTS

1995 appropriation	\$12,650,000
1996 budget estimate	12,650,000
Provided in the bill	12,650,000
Comparison:	
1995 appropriation .....	.....
1996 budget estimate .....	.....

This grant program is authorized by title V of the Housing Act of 1949, as amended. Grants are made to local organizations to promote the development of mutual or self-help programs under which groups of usually six to ten families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

COMMITTEE PROVISIONS

For mutual and self-help housing grants, the Committee provides an appropriation of \$12,650,000, the same amount available for fiscal year 1995 and the same as the budget request.

SUPERVISORY AND TECHNICAL ASSISTANCE GRANTS

1995 appropriation	
1996 budget estimate	\$2,500,000
Provided in the bill	
Comparison:	
1995 appropriation	
1996 budget estimate	- 2,500,000

This program is authorized under section 509(f)(6) of the National Affordable Housing Act and section 525 of the Housing Act of 1949, as amended. The program allows grants to be made to nonprofit organizations to assist with rural housing preparation, development, and management in underserved and poor counties.

COMMITTEE PROVISIONS

The Committee has not provided funds for supervisory and technical assistance grants for fiscal year 1996. The Committee notes that substantial funds for this account are being carried over from previous years and that the Department's planned obligations for fiscal year 1996 from this program will not exceed available funds.

RURAL COMMUNITY FIRE PROTECTION GRANTS

1995 appropriation	\$3,400,000
1996 budget estimate	3,400,000
Provided in the bill	1,000,000
Comparison:	
1995 appropriation	- 2,400,000
1996 budget estimate	- 2,400,000

Rural community fire protection grants are authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

COMMITTEE PROVISIONS

For rural community fire protection grants the Committee provides an appropriation of \$1,000,000, a decrease of \$2,400,000 below the fiscal year 1995 amount and a decrease of \$2,400,000 below the budget request. This program was proposed as part of the rural development performance partnerships program for fiscal year 1996.

COMPENSATION FOR CONSTRUCTION DEFECTS

1995 appropriation	\$495,000
1996 budget estimate	495,000
Provided in the bill	495,000
Comparison:	
1995 appropriation	
1996 budget estimate	

This program is authorized under section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with RHCDS financial assistance. Claims will not be paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made within eighteen months of loan closing.

COMMITTEE PROVISIONS

For compensation for construction defects the Committee provides an appropriation of \$495,000, the same amount available in fiscal year 1995 and the same as the budget request.

RURAL HOUSING PRESERVATION GRANTS

1995 appropriation	\$22,000,000
1996 budget estimate	22,000,000
Provided in the bill	11,000,000
Comparison:	
1995 appropriation	- 11,000,000
1996 budget estimate	- 11,000,000

Section 522 of the Housing and Urban-Rural Recovery Act of 1983 authorized the Rural Housing and Community Development Service to administer a program of home repair directed at low- and very low-income people.

The purpose of the preservation program is to improve the delivery of rehabilitation assistance by employing the expertise of housing organizations at the local level. Eligible applicants compete on a state-by-state basis for grant funds. These funds may be administered as loans, loan write-downs, or grants to finance home repair. The program is administered by local grantees.

COMMITTEE PROVISIONS

For grants for rural housing preservation the Committee provides an appropriation of \$11,000,000, a decrease of \$11,000,000 below the fiscal year 1995 amount and a decrease of \$11,000,000 below the budget request.

The Committee notes that other programs exist under the management of the Rural Housing and Community Development Service such as very low-income housing repair grants and the rural housing insurance fund which can be used for rehabilitation of housing, and requests that RHCDS ensures that applicants are fully aware of alternative programs for their needs.

RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE

SALARIES AND EXPENSES

	<i>Administrative Expenses</i>	<i>Transfers</i>	<i>Total expenses</i>
1995 levels		(\$389,818,000)	(\$389,818,000)
1996 budget estimates ..	\$53,650,000	(393,359,000)	(447,009,000)
Provided in the bill	53,315,000	(385,976,000)	(439,291,000)

SALARIES AND EXPENSES

	<i>Administrative Expenses</i>	<i>Transfers</i>	<i>Total expenses</i>
Comparison:			
1995 levels	+53,315,000	(- 3,842,000)	(+49,473,000)
1996 budget estimates	- 335,000	(- 7,383,000)	(- 7,718,000)

These funds are used to administer the loan and grant programs of the Rural Housing and Community Development Service including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under Credit Reform administrative costs associated with loan programs are appropriated to the program accounts for the rural housing insurance fund and rural community facility loans. Appropriations to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE PROVISIONS

For salaries and expenses of the Rural Housing and Community Development Service the Committee provides \$439,291,000, an increase of \$49,473,000 above the fiscal year 1995 level and a decrease of \$7,718,000 below the budget request.

The Committee directs the Department to solicit competitive bids for operation of centralized servicing based upon Federal ownership of infrastructure, provided that the Department shall accept no bid which does not result in a cost savings to the taxpayers over five years in comparison to the costs, as determined by the General Accounting Office by March 1, 1996, which would be incurred if the Rural Housing and Community Development Service continued to provide the services.

The Committee is aware that planning is nearly complete for the Lake Gillespie expansion project and urges the Rural Housing and Community Development Service to work with the City of Gillespie, Illinois, to develop a financial plan for this project.

RURAL BUSINESS AND COOPERATIVE DEVELOPMENT SERVICE

The Rural Business and Cooperative Development Service (RBCDS) was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994 (Public Law 103-354). Its programs were previously administered by the Rural Development Administration and the Rural Electrification Administration.

The mission of the Rural Business and Cooperative Development Service is to enhance the quality of life for all rural residents by assisting new and existing cooperatives and other businesses through partnership with rural communities. The goals and objectives are to: (1) promote a stable business environment in rural America through financial assistance, sound business planning, technical assistance, appropriate research, education, and information; (2) support environmentally sensitive economic growth that meets the needs of the entire community; and (3) assure that the

Service benefits are available to all segments of the rural community, with emphasis on those most in need.

[In thousands of dollars]

	FY 1995 level	FY 1996 request	FY 1996 provision
Rural Business & Cooperative Development Service:			
Rural Business and Industry Loans Program:			
Direct and Guaranteed	(\$500,000)	(\$800,000)	(\$500,000)
Rural Development Loan Fund	(88,038)	(90,000)	(60,000)
Rural Economic Development Loans	(12,865)	(14,091)	(12,865)
Alternative Agricultural Research and Commercialization		(25,000)	
Total, RBCDS Loans	(600,903)	(929,091)	(572,865)
Grants:			
Rural Business Enterprise Grants	47,500	48,000	45,000
Local Technical Assistance & Planning	1,750	2,500	
Rural Technology & Cooperative Development	1,750	3,800	1,500
Alternative Agricultural Research and Commercialization	6,500	8,000	5,000
Rural Business Performance Partnerships Program		112,315	
Total, RBCDS Grants	57,500	174,615	51,500
Total, RBCDS Loans and Grants	(658,403)	(1,103,706)	(624,365)

RURAL BUSINESS AND INDUSTRY LOANS PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1995 loan level	(\$500,000,000)
1996 budget estimate	(800,000,000)
Provided in the bill	(500,000,000)
Comparison:	
1995 loan level	
1996 budget estimate	(- 300,000,000)

This fund created by the Rural Development Act of 1972, finances a variety of rural industrial development loans.

Rural Industrialization Loans.—Makes loans for rural industrialization and rural community facilities under Rural Development Act amendments to the Consolidated Farm and Rural Development Act authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of start-up costs, and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of less than 25,000.

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and

loan guarantees committed in 1996, as well as for administrative expenses.

COMMITTEE PROVISIONS

For rural business and industry loans the Committee provides a loan level of \$500,000,000, the same level provided in fiscal year 1995 and a decrease of \$300,000,000 below the budget request. The budget request proposed this program as part of the rural development performance partnerships program.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loans</i>	<i>Guaranteed loans</i>	<i>Administrative expenses</i>
1995 appropriation		\$4,750,000	.....
1996 budget estimates	\$3,505,000	6,825,000	\$19,742,000
Provided in the bill		6,437,000	14,868,000
Comparison:			
1995 appropriation		+1,687,000	+14,868,000
1996 budget estimates	- 3,505,000	- 388,000	- 4,874,000

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1995 loan level	(\$88,038,000)
1996 budget estimate	(90,000,000)
Provided in the bill	(60,000,000)
Comparison:	
1995 loan level	(- 28,038,000)
1996 budget estimate	(- 30,000,000)

The rural development loans program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88-452).

The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99-425, the Human Services Reauthorization Act of 1986.

Loans are made to intermediary borrowers (small investment groups) who in turn will reloan the funds to rural businesses, community development corporations, private nonprofit organizations, public agencies, and others for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

COMMITTEE PROVISIONS

For the rural development loan fund program account the Committee provides a loan level of \$60,000,000, a decrease of \$28,038,000 from the fiscal year 1995 level and a decrease of \$30,000,000 below the budget request. The budget request proposed this program as part of the rural development performance partnerships program.

The Committee also provides an earmark of \$4,323,000 for empowerment zones and enterprise communities instead of \$6,484,000 as proposed in the budget request.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Administrative expenses</i>
1995 appropriation	\$46,000,000	\$1,476,000
1996 budget estimates	53,685,000	2,961,000
Provided in the bill	35,790,000	1,792,000
Comparison:		
1995 appropriation	- 10,210,000	+316,000
1996 budget estimates	- 17,895,000	- 1,169,000

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1995 loan level	(\$12,865,000)
1996 budget estimate	(14,091,000)
Provided in the bill	(12,865,000)
Comparison:	
1995 loan level	
1996 budget estimate	(- 1,226,000)

The rural economic development loans program was established by the Reconciliation Act of December 1987 (P.L. 100-203), which amended the Rural Electrification Act of 1936, by establishing a new section 313. This section of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credits payment program and created the rural economic development subaccount. The Administrator of RBCDS is authorized under the Act to utilize funds in this program to provide zero interest loans to electric and telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, start-up costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE PROVISIONS

For the rural economic development loans program account the Committee provides a loan level of \$12,865,000, the same level as provided in fiscal year 1995 and a decrease of \$1,226,000 below the budget request.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Administrative expenses</i>
1995 appropriation	\$3,077,000	.....
1996 budget estimates	4,085,000	\$864,000
Provided in the bill	3,729,000	584,000
Comparison:		
1995 appropriation	+652,000	+584,000
1996 budget estimates	- 356,000	- 280,000

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION
REVOLVING FUND

COOPERATIVE AGREEMENTS

1995 appropriation	\$6,500,000
1996 budget estimate	8,000,000
Provided in the bill	5,000,000

Comparison:

1995 appropriation	- 1,500,000
1996 budget estimate	- 3,000,000

The Alternative Agricultural Research and Commercialization Act of 1990, subtitle G of the Food, Agriculture, Conservation, and Trade Act of 1990 was established to develop and produce marketable products other than food, feed, or traditional forest or fiber products. It will assist in researching, developing, commercializing, and marketing new nonfood, nonfeed uses for traditional and new agriculture commodities.

COMMITTEE PROVISIONS

For alternative agricultural research and commercialization (AARC) the Committee provides an appropriation of \$5,000,000 for the cooperative agreements program, a decrease of \$1,500,000 below the amount available for fiscal year 1995 and a decrease of \$3,000,000 below the budget request.

The May 1995 semiannual report to Congress by the USDA Inspector General identifies potential conflicts-of-interest in the decisions of AARC board members in six projects. According to the OIG, three board members had financial interests in companies receiving AARC assistance but there is no record that these board members either disclosed their interests or recused themselves from decisions on the projects. The OIG further reported that no board members have filed the financial disclosure statements required of special government employees.

The Committee directs the Secretary to take immediate action to prevent conflicts-of-interest in decisions on AARC funding. The Committee further directs the Secretary to ensure that board members submit all necessary financial disclosure statements before participating in any decisions related to AARC activities.

ESTIMATED LOAN LEVEL

1995 loan level .....	.....
1996 budget estimate	(\$25,000,000)
Provided in the bill .....	.....
Comparison:	
1995 loan level .....	.....
1996 budget estimate	(- 25,000,000)

COMMITTEE PROVISIONS

The Committee has not included any funds for the proposed new AARC direct loan program. The Committee supports the AARC program goals to develop and commercialize new commodities which will bring new products and economic benefits to rural areas. However, the Committee believes that the program must establish a longer record of success before any additional funding is made available. For the same reason, and because of the particularly tight budget situation for all agricultural programs, the Committee believes that it is not prudent to initiate the new direct lending program at this time.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Administrative expenses</i>
1995 appropriation		
1996 budget estimates	\$7,138,000	\$500,000
Provided in the bill		
Comparison:		
1995 appropriation		
1996 budget estimates	- 7,138,000	- 500,000

RURAL BUSINESS ENTERPRISE GRANTS

1995 appropriation	\$47,500,000
1996 budget estimate	48,000,000
Provided in the bill	45,000,000
Comparison:	
1995 appropriation	- 2,500,000
1996 budget estimate	- 3,000,000

This program was authorized by the Rural Development Act of 1972. Grants are made to public bodies and non-profit organizations to facilitate development of small and emerging business enterprises in rural areas, including the acquisition and development of land; the construction of buildings, plants, equipment, access streets and roads, parking areas, and utility extensions; refinancing fees; technical assistance; and startup operating costs and working capital.

COMMITTEE PROVISIONS

For rural business enterprise grants the Committee provides \$45,000,000, a decrease of \$2,500,000 below the amount available for fiscal year 1995 and a decrease of \$3,000,000 below the budget request. This program was proposed as part of the rural development performance partnerships program for fiscal year 1996.

The bill contains language earmarking \$500,000 for rural transportation systems technical assistance. The funds are designed to assist small rural communities in planning and developing transportation systems that promote a link between transportation and economic development initiatives.

Sangamon State University and Lincoln Land Community College have joined together to construct and operate a state-of-the-art learning and information system for colleges, schools, businesses, and homes in rural central Illinois. This project will deliver education and training programs to hard-to-reach rural residents and communities. The Committee strongly supports and expects continued consideration of this project.

The Department is expected to consider a request for continued support of a telecommunications demonstration project for Central New York. The project will promote a public-private partnership in region-wide information infrastructure planning and implementation, and will allow local officials to be involved in the planning and development of communications systems that will assist rural enterprise expansion.

The Committee urges the Department to consider the request of the Arkansas Dairy Cooperative for assistance in the construction of a milk receiving and cheese processing plant.

The Southern Kentucky Rural Economic Development Center in Somerset, Kentucky, is developing a rural technology facility in coordination with Kentucky Educational Television, a statewide public television network. The Committee expects the Department to consider continued funding for this project which will allow for equipment for transmission and production for this facility.

The Committee is aware of a request for a grant from the town of Crothersville, Indiana, for an infrastructure improvement project and expects the Department to give consideration to this request.

The LENOWISCO Planning District Commission, which serves three counties and the city of Norton in Virginia, has applied for a business incubator project. The Committee encourages the Department to consider funding for this program.

The Montrose Area Industrial Development Agency has requested a grant for facilitation of an industrial park in Bridgewater Township, Pennsylvania. The Department is urged to consider this proposal.

The Committee is aware of a request for a business incubator project for the enterprise zone in Sayre, Pennsylvania, and urges the Department to consider this proposal expeditiously.

The Northeast Texas Rural Rail Transportation District is seeking a grant to purchase and maintain rail facilities which are vital to the area's economy. The Department should give strong consideration to this request.

The Committee is aware of a grant request for the revitalization of the Golden West Flour Mill in Clovis, New Mexico. This is an important project for the farming communities of the area and the Committee urges the Department to give consideration to this project.

Self-Help, North Carolina's community development credit union, has applied for a grant to expand its program of housing and community development in low-income areas. The Committee urges the Department to give consideration to this project.

The Northern Economic Initiatives Corporation is requesting funds to support a technical assistance program for small businesses in Michigan's Upper Peninsula. The Committee urges the Department to consider this request.

RURAL TECHNOLOGY AND COOPERATIVE DEVELOPMENT GRANTS

1995 appropriation	\$1,750,000
1996 budget estimate	3,800,000
Provided in the bill	1,500,000
Comparison:	
1995 appropriation	- 250,000
1996 budget estimate	- 2,300,000

This grant program is authorized by section 310(f) of the Consolidated Farm and Rural Development Act, as amended by section 2347 of the Food, Agriculture, Conservation, and Trade Act of 1990. These grants are made available to public bodies and nonprofit organizations to fund the establishment and operation of centers for rural technology or cooperative development with their primary purpose being the improvement of economic conditions in rural areas. Funds are used to promote the development (through technological innovation, cooperative development, and adaptation of

existing technology) and commercialization of new services and products that can be produced or provided in rural areas; new processes that can be utilized in the production of products in rural areas; and new enterprises that add value to on-farm production through processing or marketing. The Rural Business and Cooperative Development Service proposes to fund up to 75 percent of the project cost while requiring the applicant's contribution be at least 25 percent which must be cash from non-Federal sources.

COMMITTEE PROVISIONS

For the rural technology and cooperative development grants program the Committee provides \$1,500,000, a decrease of \$250,000 below the fiscal year 1995 level and a decrease of \$2,300,000 below the budget request. This program was proposed as part of the rural development performance partnerships program for fiscal year 1996.

The Committee urges the Department to consider the requests of cooperative groups for administration of projects funded by this program.

The Administration's fiscal year 1996 request for rural technology and cooperative development grants included an earmark of \$1,300,000 for the appropriate technology transfer for rural areas (ATTRA) program. ATTRA encourages the adoption of low-input and sustainable agriculture practices. The ATTRA program has previously been funded by the Department of the Interior.

The Committee supports the objectives of the ATTRA program but regrets that due to tight fiscal constraints, it is not able to provide funding. The Committee encourages continued funding of the program through the Department of the Interior.

LOCAL TECHNICAL ASSISTANCE AND PLANNING GRANTS

1995 appropriation	\$1,750,000
1996 budget estimate	2,500,000
Provided in the bill	
Comparison:	
1995 appropriation	- 1,750,000
1996 budget estimate	- 2,500,000

This grant program is authorized by section 306(a)(11)(A) of the Consolidated Farm and Rural Development Act, as amended by section 2341 of the Food, Agriculture, Conservation, and Trade Act of 1990. It is designed to assist in the economic development of rural areas by providing technical assistance for business development and economic development planning. Grant funds may be used to identify and analyze business opportunities that would use local economic and human resources; provide technical assistance to existing or prospective rural entrepreneurs; establish business support centers and otherwise assist in the creation of new rural businesses; and conduct regional, community, and local economic development planning and coordination, and leadership development. RBCDS funds up to 75 percent of the project cost while requiring the applicant's contribution be at least 25 percent which must be cash from non-Federal sources.

COMMITTEE PROVISIONS

Because of severe budget constraints, the Committee has not provided funding for the local technical assistance and planning grants program for fiscal year 1996. This program was proposed as part of the rural development performance partnerships program for fiscal year 1996.

RURAL BUSINESS PERFORMANCE PARTNERSHIPS PROGRAM

1995 appropriation	
1996 budget estimate	\$112,315,000
Provided in the bill	
Comparison:	
1995 appropriation	
1996 budget estimate	- 112,315,000

On May 2, 1995, the President sent to Congress amendments to the fiscal year 1996 appropriation request for the Department of Agriculture. With these amendments the Administration proposes to establish a rural development performance partnerships program which would consolidate funding from 14 rural development programs into three areas: housing, business development, and water and waste disposal.

COMMITTEE PROVISIONS

For the Rural Business and Cooperative Development Service, the program would combine: the rural business and industry insurance fund program account, including both loans and grants; rural business enterprise grants, the rural technology and cooperative development grants, and local technical assistance and planning grants.

According to the Administration's proposal, funds would be sent to the states for allocation by state directors. Certain percentages of funds available nationwide could be reallocated by the Department and certain percentages of the funds available to state directors could be transferred among programs.

The Committee believes that the rural development performance partnerships program may have considerable potential, particularly in this time of scarce budget resources. The Committee commends the Administration and the Department of Agriculture for seeking new ways to make rural development programs more effective.

However, the proposal was submitted in May, 1995, well after the Committee heard testimony from the Administration and outside witnesses on the fiscal year 1996 proposed budget. The Committee is concerned that it has not had the opportunity to review the details of the operation of the rural development performance partnerships program. The Committee also has not had the opportunity to hear from community development organizations, state, local and tribal officials, and other interested parties who would be involved in the program.

The Committee is providing funds for the water and waste disposal segment of the rural development performance partnerships program which consists of the rural water and waste disposal grants, solid waste management grants, and water and waste disposal facility loans.

The Committee will closely monitor this program and consider the application of the rural development performance partnerships concept to other areas of rural development. The Committee invites comments from community development organizations on the Administration's original proposal and on the operation of the water and waste disposal program.

RURAL BUSINESS AND COOPERATIVE DEVELOPMENT SERVICE

SALARIES AND EXPENSES

	<i>Appropriation</i>	<i>Transfer from loan accounts</i>	<i>Total, RBCDS S&E</i>
1995 levels	\$95,105,000	(\$1,490,000)	(\$96,595,000)
1996 budget estimates ..	9,589,000	(23,394,000)	(32,983,000)
Provided in the bill	9,520,000	(17,115,000)	(26,635,000)
Comparison:			
1995 levels	- 85,585,000	(+15,625,000)	(- 69,960,000)
1996 budget estimates	- 69,000	(- 6,279,000)	(- 6,348,000)

These funds are used to administer the loan and grant programs of the Rural Business and Cooperative Development Service including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

COMMITTEE PROVISIONS

For salaries and expenses of the Rural Business and Cooperative Development Service the Committee provides \$26,635,000, a decrease of \$69,960,000 below the fiscal year 1995 level and \$6,348,000 below the budget request.

RURAL UTILITIES SERVICE

The Rural Utilities Service (RUS) was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103-354), October 13, 1994. RUS administers the electric and telecommunications programs of the former Rural Electrification Administration and the water and waste disposal programs of the former Rural Development Administration.

The mission of the RUS is to serve a leading role in improving the quality of life in rural America by administering its electric, telecommunications, and water and waste disposal programs in a service oriented, forward looking, and financially responsible manner. All three programs have the common goal of modernizing and revitalizing rural communities. RUS provides funding and support service for utilities serving rural areas. The public-private partnerships established by RUS and local utilities assist rural communities in modernizing local infrastructure and creating jobs. RUS programs are also characterized by the substantial amount of private investment which is leveraged by the public funds invested into infrastructure and technology resulting in the creation of new sources of employment.

[In thousands of dollars]

	FY 1995 level	FY 1996 request	House bill
Rural electrification and telephone loans programs:			
Electric loans:			
5%	(\$100,000)	(\$100,000)	(\$90,000)
Municipal	(575,250)	(575,250)	(500,000)
FFB	(300,000)	(400,000)	(300,000)
Telephone loans:			
5%	(75,000)	(75,000)	(70,000)
Treasury Rate	(297,000)	(300,000)	(300,000)
FFB	(120,000)	(120,000)	(120,000)
Rural Telephone Bank Loans:			
Cost of Funds	(175,000)		(175,000)
Total, electric & telephone loans	(1,642,250)	(1,570,250)	(1,555,000)
Rural telecommunications partnership loans		(15,000)	
Rural water and waste disposal loans	(905,523)		
Total, RUS loans	(2,547,773)	(1,585,250)	(1,555,000)
Grants:			
Distance learning & medical link	7,500	15,000	7,500
Rural water and waste disposal	500,000		
Solid waste management	2,995		
Rural Development Performance Partnerships Program		785,183	562,000
Total, RUS Grants	510,495	800,183	569,500
Total, RUS Loans and Grants	(3,058,268)	(2,385,433)	(2,124,500)

RURAL UTILITIES PERFORMANCE PARTNERSHIPS PROGRAM

1995 appropriation	
1996 budget estimate	\$785,183,000
Provided in the bill	562,000,000
Comparison:	
1995 appropriation	+562,000,000
1996 budget estimate	-223,183,000

On May 2, 1995, the President sent to Congress amendments to the fiscal year 1996 appropriation request for the Department of Agriculture. With these amendments the Administration proposes to establish a rural development performance partnerships program which would consolidate funding from 14 rural development programs into three areas: housing, business development, and water and waste disposal.

According to the Administration's proposal, funds would be sent to the states for allocation by state directors. Certain percentages of funds available nationwide could be reallocated by the Department and certain percentages of the funds available to state directors could be transferred among programs.

The Committee believes that the rural development performance partnerships program may have considerable potential, particularly in this time of scarce budget resources. The Committee commends the Administration and the Department of Agriculture for seeking new ways to make rural development programs more effective.

However, the proposal was submitted in May of 1995, well after the Committee heard testimony from the Administration and outside witnesses on the fiscal year 1996 proposed budget. The Committee is concerned that it has not had the opportunity to review the details of the operation of the rural development performance

partnerships program. The Committee also has not had the opportunity to hear from community development organizations, state, local, and tribal officials, and other interested parties who would be involved in the program.

The Committee is providing funds for the water and waste disposal segment of the rural development performance partnerships initiative which consists of the rural water and waste disposal grants, solid waste management grants, and water and waste disposal facility loans.

The Committee will closely monitor this program and consider the application of the rural development performance partnerships concept to other areas of rural development. The Committee invites comments from community development organizations on the Administration's original proposal and on the operation of the water and waste disposal program.

COMMITTEE PROVISIONS

For the rural utility service performance partnership program, including the rural water and waste disposal insurance fund direct loans, rural and water waste disposal grants and solid waste management grants, and associated administrative expenses, the Committee provides \$562,000,000, a decrease of \$223,183,000 below the budget request.

The Committee provides an earmark of \$18,700,000 for water and waste disposal systems to benefit the Colonias along the United States-Mexico border and an earmark of \$4,000,000 for the circuit rider program for technical assistance for rural water systems.

The Ottawa County (Ohio) regional water project will serve nearly 20,000 year-round residents of eastern Ottawa County and more than 250,000 summer visitors. The Ottawa County proposal will allow it to consolidate small and outdated water treatment systems into one new water treatment plant and new water mains. The Committee encourages the Department to support this project.

The Committee is aware of the significant water and waste disposal needs of the Mojave Water Association in California and expects the Department to give consideration to these needs.

RURAL WATER AND WASTE DISPOSAL LOANS PROGRAM ACCOUNT

1995 loan level	(\$905,523,000)
1996 budget estimate	
Provided in the bill	
Comparison:	
1995 loan level	(- 905,523,000)
1996 budget estimate	

The water and waste disposal program is authorized by several actions, including sections 306, 306A, 309A, and 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq., as amended).

Makes loans for water and waste disposal development costs. Development loans are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations generally designated as public or quasi-public agencies, that propose projects for the development, storage, treatment, purifi-

cation, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas.

COMMITTEE PROVISIONS

The Committee is consolidating this program into the rural development performance partnerships program for fiscal year 1996.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>
1995 appropriation	\$126,502,000
1996 budget estimates	
Provided in the bill	
Comparison:	
1995 appropriation	- 126,502,000
1996 budget estimates	

The Federal Credit Reform Act of 1990 established the Program Account. An appropriation to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

RURAL ELECTRIFICATION AND TELEPHONE LOANS PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1995 loan level	(\$1,467,250,000)
1996 budget estimate	(1,570,250,000)
Provided in the bill	(1,380,000,000)
Comparison:	
1995 loan level	(- 87,250,000)
1996 budget estimate	(- 190,250,000)

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), (as amended) provides the statutory authority for the electric and telecommunications programs.

COMMITTEE PROVISIONS

The following table reflects the loan levels for the Rural Electrification and Telephone Loans Program Account.

	FY 1995 enacted	FY 1996 request	Recommended
Rural Electrification and Telephone Loans Program Account:			
Loan authorizations:			
Direct loans:			
Electric 5%	(100,000,000)	(100,000,000)	(90,000,000)
Telephone 5%	(75,000,000)	(75,000,000)	(70,000,000)
Subtotal	(175,000,000)	(175,000,000)	(160,000,000)
<hr/>			
Treasury rate: Telephone	(297,000,000)	(300,000,000)	(300,000,000)
Muni-rate: Electric	(575,250,000)	(575,250,000)	(500,000,000)
FFB loans:			
Electric, regular	(300,000,000)	(400,000,000)	(300,000,000)
Telephone	(120,000,000)	(120,000,000)	(120,000,000)
Subtotal	(420,000,000)	(520,000,000)	(420,000,000)
<hr/>			
Total, Loan authorizations	(1,467,250,000)	(1,570,250,000)	(1,380,000,000)

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	FY 1995 enacted	FY 1996 request	Recommend
Loan subsidies:			
Direct loans:			
Electric 5%	9,703,000	23,520,000	21,168,000
Telephone 5%	5,497,000	14,955,000	13,958,000
Subtotal	15,200,000	38,475,000	35,126,000
Treasury rate:			
Telephone	60,000	60,000	60,000
Muni-rate, electric	46,020,000	62,300,000	54,150,000
FFB loans, regular electric	450,000	3,360,000	2,520,000
Negative subsidy		- 1,715,000	
Total, Loan subsidies	61,730,000	102,480,000	91,856,000
RETLP administrative expenses	29,982,000	34,385,000	29,982,000
Total, Rural Electrification and Telephone Loans Program Account	91,712,000	136,865,000	121,838,000
(Loan authorization)	(1,467,250,000)	(1,570,250,000)	(1,380,000,000)

The Federal Credit Reform Act of 1990 established the Program Account. An appropriation to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

RURAL TELECOMMUNICATIONS PARTNERSHIP LOANS PROGRAM
ACCOUNT

ESTIMATED LOAN LEVEL

1995 loan level	
1996 budget estimate	(\$15,000,000)
Provided in the bill	
Comparison:	
1995 loan level	
1996 budget estimate	(- 15,000,000)

The rural telecommunications partnership loans program was established under the provisions of the Food, Agriculture, Conservation, and Trade Act of 1990. These loans enhance the business environment by providing facilities not normally available in rural areas but needed to compete in the global business environment. These loans improve job opportunities in rural areas and enhance public safety and provide efficient local government services to rural residents and business. Loans are available at low interest rates and at market rates to businesses, local governments, or public agencies in rural areas to fund facilities in which the loan recipients share telecommunications terminal equipment, computers, computer software, and computer hardware. This program improves telecommunication services in rural areas and provides access to advanced telecommunication services and computer networks to improve job opportunities and the business environment in rural areas.

COMMITTEE PROVISIONS

Due to budget constraints the Committee is not able to provide funds for this program. The fiscal year 1996 request was for a loan level of \$15,000,000, requiring a direct subsidy of \$594,000 and administrative expenses of \$1,110,000. The program received no funds in fiscal year 1995.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Administrative expenses</i>
1995 appropriation		
1996 budget estimates	\$594,000	\$1,110,000
Provided in the bill		
Comparison:		
1995 appropriation		
1996 budget estimates	- 594,000	- 1,110,000

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1995 loan level	(\$175,000,000)
1996 budget estimate	
Provided in the bill	(175,000,000)
Comparison:	
1995 loan level	
1996 budget estimate	(+175,000,000)

The Rural Telephone Bank (RTB) is required by law to begin privatization (repurchase of federally owned stock) in fiscal year 1996. RTB borrowers are able to borrow at private market rates and no longer require Federal assistance.

The Rural Telephone Bank is managed by a 13-member board of directors. The Administrator of RUS serves as Governor of the Bank until conversion to private ownership, control, and operation. This will take place when 51 percent of the Class A stock issued to the United States and outstanding at any time after September 30, 1995, has been fully redeemed and retired. Activities of the Bank are carried out by RUS employees and the Office of General Counsel of the U.S. Department of Agriculture.

COMMITTEE PROVISIONS

For the Rural Telephone Bank direct loans the Committee provides a limitation of \$175,000,000, the same level as provided in fiscal year 1995.

The Administration proposed to begin privatization of the Rural Telephone Bank in fiscal year 1996. The Committee agrees that privatization should begin; however, the Administration has not consulted with authorizing and appropriations committees about this process concerning the effects of privatization of the Bank, its stockholders, and borrowers. Analyses of the full cost of privatization differ significantly.

Therefore, bill language directs that no more than five percent of the Class A stock of the Rural Telephone Bank be retired in fiscal year 1996. The Committee expects the Administration to conduct a complete study of the effects of privatization and to report the results of that study to the authorizing and appropriations committees.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	<i>Direct loan subsidy</i>	<i>Administrative expenses</i>
1995 appropriation	\$770,000	\$8,794,000
1996 budget estimates		
Provided in the bill	770,000	3,541,000
Comparison:		
1995 appropriation		-5,253,000
1996 budget estimates	+770,000	+3,541,000

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

DISTANCE LEARNING AND MEDICAL LINK GRANTS

1995 appropriation	\$7,500,000
1996 budget estimate	15,000,000
Provided in the bill	7,500,000
Comparison:	
1995 appropriation	
1996 budget estimate	-7,500,000

The distance learning and medical link program was established by the Rural Economic Development Act of 1990 (104 STAT. 4106, 7 U.S.C. 950a et seq.). This program is authorized in the Food, Agriculture, Conservation, and Trade Act of 1990 to provide incentives to improve the quality of phone services, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

This program provides the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities providing rural residents access to better health care through technology and increasing educational opportunities for rural students.

COMMITTEE PROVISIONS

For the distance learning and medical link program the Committee provides an appropriation of \$7,500,000, the same as the amount available in fiscal year 1995 and a decrease of \$7,500,000 below the budget request.

Sangamon State University and Lincoln Land Community College have joined together to construct and operate a state-of-the-art learning and information system for colleges, schools, businesses, and homes in rural Central Illinois. This project will deliver education and training programs to hard-to-reach rural residents and communities. The Committee strongly supports and expects continued consideration of this project.

The Southwest Virginia Education and Training Network has applied for funding which would provide critical educational programming to 16 school divisions in Russell and Wise Counties. The Committee urges the Department to consider this request.

The Lake Superior Rural Health Information Network has requested a grant as part of an effort with the Duluth Clinic to upgrade the telecommunications infrastructure for a health care system linking 43 facilities in Minnesota, Wisconsin, and Michigan. The Department should consider the request for funding of this program.

Middle Tennessee State University (MTSU) has a strong, well-established agricultural program. The academic program includes a wide range of concentrations in the field of agriculture. Providing MTSU with a satellite uplink and downlink capability will allow the University's Agriculture Department to access and participate in the most up-to-date information. Specifically, this project would link MTSU with the National Agricultural Library which has the nation's most comprehensive collection of bibliographies, research data, and digests related to agriculture. The Committee encourages the Department to support this project.

The Committee is aware of a pending application for a compressed video network that would integrate information networks of the University of Arkansas, extension programs and other state and local offices. The Committee urges the Department to take prompt action on this request.

The Southern Kentucky Rural Economic Development Center in Somerset, Kentucky, is developing a rural technology facility in coordination with Kentucky Educational Television, a statewide public television network. The Committee expects the Department to consider continued funding for this project which will allow for equipment for transmission and production for this facility.

RURAL WATER AND WASTE DISPOSAL GRANTS

1995 appropriation	\$500,000,000
1996 budget estimate	
Provided in the bill	
Comparison:	
1995 appropriation	— 500,000,000
1996 budget estimate	

Makes grants for water and waste disposal development costs. Development grants are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations generally designated as public or quasi-public agencies, that propose projects for development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 75 percent of the development cost of the projects and can supplement other funds borrowed or furnished by applicants to pay development costs.

COMMITTEE PROVISIONS

This Committee is consolidating this program into the rural development performance partnerships program for fiscal year 1996.

SOLID WASTE MANAGEMENT GRANTS

1995 appropriation	\$2,995,000
1996 budget estimate	
Provided in the bill	
Comparison:	
1995 appropriation	- 2,995,000
1996 budget estimate	

This grant program is authorized under section 310B(b)(2) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and private nonprofit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of water resources and for improving the planning of management of solid waste disposal facilities.

COMMITTEE PROVISIONS

The Committee is consolidating this program into the rural development preformance partnerships program for fiscal year 1996.

RURAL UTILITIES SERVICE

SALARIES AND EXPENSES

	Appropriation	Transfer from loan accounts	Total, RUS S&E
1995 levels		(\$38,776,000)	(\$38,776,000)
1996 budget estimates ..	\$19,627,000	(53,603,000)	(73,230,000)
Provided in the bill	19,211,000	(46,464,000)	(65,675,000)
Comparison:			
1995 levels	+19,211,000	(+7,688,000)	(+26,899,000)
1996 budget			
estimates	- 416,000	(- 7,139,000)	(- 7,555,000)

These funds are used to administer the loan and grant programs of the Rural Utilities Service including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under Credit Reform, administrative costs associated with loan programs are appropriated to the program accounts for the agricultural credit insurance fund and the rural housing insurance fund. Appropriations to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE PROVISIONS

For salaries and expenses of the Rural Utilities Service the Committee provides \$65,675,000, an increase of \$26,899,000 above the amount available for fiscal year 1995 and a decrease of \$7,555,000 below the budget request.

TITLE IV—DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

1995 appropriation	\$540,000
1996 budget estimate	¹ 553,000
Provided in the bill	440,000
Comparison:	
1995 appropriation	– 100,000
1996 budget estimate	– 113,000

¹ The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Food, Nutrition and Consumer Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's food and consumer activities. The Office has oversight and management responsibilities for the Food and Consumer Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food, Nutrition and Consumer Services the Committee provides an appropriation of \$440,000, a decrease of \$100,000 below the amount available for fiscal year 1995 and a decrease of \$113,000 below the budget request. The Committee has included funding for the Director of the Center for Nutrition Policy and Promotion under food program administration.

FOOD AND CONSUMER SERVICE

The Food and Nutrition Service was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1. The agency was renamed the Food and Consumer Service (FCS) pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901). It represents an organizational effort to eliminate hunger and malnutrition in this country. Food assistance programs are intended to provide access to a nutritionally adequate diet for families and persons with low incomes, and encourage better eating patterns among the nation's children. These programs include:

Child nutrition programs.—Federal assistance is provided to the 50 States, Puerto Rico, Virgin Islands, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades or under, to children of preschool age in child care centers and homes, and to children in other institutions in order to improve the health and well-being of the nation's children, and broaden the markets for agricultural food commodities. Through the special milk program, assistance is provided to the states for making reimbursement payments to eligible schools and

child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children.

Food stamp program.—This program is aimed at making more effective use of the nation's food supply and at improving nutritional standards of needy persons and families, in most cases, through the issuance of food coupons which may be used in retail stores for the purchase of food. The program also includes nutrition assistance to Puerto Rico. The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) authorized a block grant for nutrition assistance to Puerto Rico which gives the Commonwealth broad flexibility in establishing a food assistance program that is specifically tailored to the needs of its low-income households.

Special supplemental nutrition program for women, infants, and children (WIC).—This program helps to safeguard the health of pregnant, postpartum, and breastfeeding women, and infants, and children up to age five who are at nutritional risk by providing food packages designed to supplement each participant's diet with foods that are typically lacking. Delivery of supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating state health agency may select.

Commodity supplemental food program (CSFP).—This program provides supplemental foods to infants and children up to age six, and to pregnant, postpartum, and breastfeeding women with low incomes who reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons.

Food donations programs for selected groups.—Nutritious agricultural commodities are provided to low-income persons living on or near Indian reservations who choose not to participate in the food stamp program; and to residents of the Pacific Territory of Palau and Federated States of Micronesia and the Marshall Islands. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. Commodities or cash-in-lieu of commodities are provided to assist nutrition programs for the elderly. In addition, commodities will be provided to soup kitchens and food banks in fiscal year 1996.

The emergency food assistance program (TEFAP).—This program provides commodities and grant funds to state agencies to assist in the cost of storage and distribution of donated commodities for needy individuals.

Food program administration.—This account represents all salaries and Federal operating expenses of the Food and Consumer Service. As of September 30, 1994, there were 1,790 full-time permanent and 68 part-time and temporary employees in the agency. There were 607 in the Washington headquarters and 1,251 in the field, which includes 844 in seven regional offices and the balance in six food stamp compliance offices, one computer support center in Minneapolis, Minnesota, five administrative review offices, and 84 field offices. This account also supports the Center for Nutrition Policy and Promotion.

Funds for strengthening markets, income, and supply (section 32).—This program includes the donation of commodities purchased under the surplus removal activities of the Agricultural

Marketing Service. Special programs provide food to needy children and adults who are suffering from general and continued hunger.

CHILD NUTRITION PROGRAMS

1995 appropriation	¹ \$7,451,351,000
1996 budget estimate	7,920,434,000
Provided in the bill	7,952,424,000
Comparison:	
1995 appropriation	+501,073,000
1996 budget estimate	+31,990,000

¹Appropriation has not been adjusted to reflect activities previously funded through the Special Milk Program (\$18,089,000) and transfers of \$12,123,000 to be funded by permanent appropriations pursuant to P.L. 103-448; \$28,213,000 proposed to be funded in Nutrition Initiatives for 1996; and \$11,259,000 proposed to be funded in Food Program Administration for 1996.

Working through state agencies, the Food and Consumer Service (FCS) provides Federal assistance in cash and commodities for use in preparing and serving nutritious meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of this program is to help maintain the health and proper physical development of America's children. The child nutrition account includes the school lunch program; the school breakfast program; and the summer food service and child and adult care food programs. In addition, the special milk program provides funding for milk service in some kindergartens, as well as in schools, nonprofit child care centers and camps which have no other federally assisted food programs. Milk is provided to children either free or at a low cost depending on their family income level. FCS provides cash subsidies to state administered programs and directly administers the program in the states which have chosen not to do so. Funds for this program are provided by direct appropriation. Grants are also made for nutritional training and surveys and for state administrative expenses. Under current legislation, most of these payments are made on the basis of reimbursement rates established by law and applied to lunches and breakfasts actually served by the states.

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101-147, contained a number of child nutrition provisions. These include:

Summer Food Service Program (SFSP).—Reauthorized and expanded SFSP to private, nonprofit organizations under certain conditions.

School Breakfast Program (SBP).—Provided start-up grants for programs serving low-income children.

Child and Adult Care Food Program (CACFP).—Provided funds for demonstration projects to expand services to homeless children and family day care homes in low-income areas.

National School Lunch Program (NSLP).—(1) Mandated a unified system for compliance and accountability which would integrate Federal and state efforts and provide for increased Federal monitoring of SFSP operations. (2) Authorized the Food Service Management Institute to improve school food service operations.

Nutrition Education and Training (NET).—Required demonstration projects and studies to examine a number of program issues and increased the authorization level.

Through the special milk program, funds are provided to state agencies to reimburse eligible participants for all or part of the cost of fluid milk consumed. Under Public Law 97–35, participation in the special milk program is restricted to schools and institutions that do not participate in another meal service program authorized by the Child Nutrition or School Lunch Acts. Effective October 1, 1986, based on authority in Public Law 99–661, children in split session kindergarten programs in nonprofit schools who do not have access to the meal service programs operating in those schools may participate in the program.

COMMITTEE PROVISIONS

For the child nutrition programs the Committee provides a total of \$7,952,424,000, an increase of \$501,073,000 above the amount available for fiscal year 1995 and an increase of \$31,990,000 above the budget request. Of the total amount provided, \$2,354,566,000 is by direct appropriation and \$5,597,858,000 is by transfer from section 32.

The Committee includes funding in this appropriation bill for nutrition education and training and the Food Service Management Institute instead of drawing funds directly from the General Treasury.

The Committee provides for the child nutrition programs at the following annual rates:

	<i>Amount</i>
Child Nutrition Programs:	
School lunch program	\$4,433,690,000
School breakfast program	1,160,454,000
Child and adult care food program	1,657,493,000
Summer food service program	280,303,000
Special milk program	18,652,000
State administrative expenses	101,607,000
Commodity procurement	275,199,000
Nutrition education and training	10,000,000
School meals initiative	5,000,000
Nutrition studies and surveys	4,162,000
Coordinated review effort	3,964,000
Food service management institute	1,900,000
Total	\$7,952,424,000

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

1995 appropriation	\$3,470,000,000
1996 budget estimate	3,820,000,000
Provided in the bill	3,729,807,000
Comparison:	
1995 appropriation	+259,807,000
1996 budget estimate	–90,193,000

The special supplemental nutrition program for women, infants, and children (WIC) safeguards the health of pregnant, breastfeeding, and postpartum women, and infants, and children up to age five who are at nutritional risk because of inadequate nutrition and inadequate income.

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101-147, reauthorized and added a provision to the program as follows:

Cost Containment Initiatives to Expand Participation.—(1) Required state agencies with a retail food delivery system to use a competitive bidding system or a system with equal savings for the procurement of infant formula. Savings are to be used to expand program participation. (2) Permitted states with an approved cost containment system to use first quarter funds to cover obligations incurred during the fourth quarter of the preceding fiscal year.

The WIC farmers' market nutrition program (FMNP) is also funded from the WIC appropriation. FMNP is designed to accomplish two major goals: 1) to improve the diets of WIC participants by providing them with coupons to purchase fresh, nutritious, unprepared food, such as fruits and vegetables, from farmers' markets; and 2) to increase the awareness and use of farmers' markets by low-income households. Funds for the WIC program are provided by direct appropriation.

COMMITTEE PROVISIONS

For the special supplemental nutrition program for women, infants, and children (WIC) the Committee provides an appropriation of \$3,729,807,000, an increase of \$259,807,000 above the amount available for fiscal year 1995 and a decrease of \$90,193,000 below the budget request. In addition, the Committee provides for the transfer of \$4,000,000 from unobligated balances in the supervisory and technical assistance program.

The Committee also includes two provisions which will result in additional funds being available for participation costs. The first provision provides that \$20,000,000 from costs associated with nutrition services and administration be used for food benefits.

The second provision states that up to \$6,750,000 may be used to carry out the farmers' market nutrition program from funds not needed to maintain a case load level of 7.3 million. While the Committee is supportive of this program, it believes the first goal of the program is to maintain current participation levels.

These actions, along with the anticipated \$100,000,000 in carry-over funds, are sufficient to maintain the year-end caseload of 7.3 million women, infants, and children in fiscal year 1996.

The Committee provides for the same number of participants in fiscal year 1996 that were in the program at the end of fiscal year 1995. As current participants graduate out of the program, other eligible participants will move into the program.

The Committee directs the Department to work with all states to reduce the amount of carryover funds to two percent. In testimony before the Committee, it was stated that two percent was an appropriate level.

The Committee repeats bill language which prohibits administrative expenses from being used by any clinic providing WIC services if that clinic allows smoking within the space used to administer the program.

FOOD STAMP PROGRAM

1995 appropriation	¹ \$28,830,710,000
1996 budget estimate	29,762,887,000
Provided in the bill	27,097,828,000
Comparison:	
1995 appropriation	- 1,732,882,000
1996 budget estimate	- 2,665,059,000

¹Appropriation of \$28,830,710,000 has not been adjusted to reflect transfers of \$12,059,000 proposed to be funded in Nutrition Initiatives for 1996 and \$16,882,000 proposed to be funded in Food Program Administration for 1996.

The food stamp program, authorized by the Food Stamp Act of 1964, attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive food stamps with which they can purchase food through regular retail stores. They are thus enabled to obtain a more nutritious diet than would be possible without food stamp assistance. The FACT Act of 1990 (P.L. 101-624) reauthorized the food stamp program through fiscal year 1995.

Participating households receive free food stamps in amounts determined by household size and income. Since March 1975, food stamp projects have been established throughout the country. State social service agencies assume responsibility for certifying eligible households and issuing the stamps through suitable outlets. The Food and Consumer Service establishes a range of household food stamp allotments which are updated annually.

Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the banking system to a Federal Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department. As the major alternative to the paper food stamp system, Electronic Benefit Transfer (EBT) is operating statewide in Maryland, in parts of Pennsylvania, Minnesota, Ohio, New Mexico, New Jersey, Texas, and Iowa, and is planned in other states.

ADMINISTRATIVE COSTS

All direct and indirect administrative costs incurred for certification of households, issuance of food coupons, quality control, outreach, and fair hearing efforts are shared by the Federal government and the states on a 50-50 basis.

In addition, state agencies which reduce quality control error rates below 6 percent receive up to a maximum match of 60 percent of their administrative expenses. Also, state agencies are paid up to 100 percent of the costs of administering the program on Indian reservations. The food stamp program is in operation in all 50 States, the Virgin Islands, Guam, and the District of Columbia.

The Food Stamp Act Amendments of 1982 provided for the establishment of a system for levying fiscal sanctions on states which fail to reduce high error rates below a prescribed target.

OTHER PROGRAM COSTS

Other program costs, which are borne entirely by the Federal government, include printing and transporting coupons to author-

ized state agencies and processing and destruction of redeemed coupons by Federal banks.

The total cost of this program has greatly increased over past years. The following table indicates total program costs by fiscal year from 1962 to the present:

FOOD STAMP APPROPRIATIONS

Fiscal year:	[Dollars in thousands]	Budget authority
1962		¹ \$48,900
1963		¹ 50,000
1964		¹ 45,000
1965		² 60,000
1966		³ 100,000
1967		⁴ 139,525
1968		⁵ 185,000
1969		280,000
1970		610,000
1971		1,679,000
1972		2,289,214
1973		2,500,000
1974		3,000,000
1975		4,874,600
1976		5,203,000
1977		5,514,000
1978		5,627,000
1979		6,679,200
1980		9,191,000
1981		11,480,000
1982		11,300,000
1983		13,005,141
1984		11,739,005
1985		11,768,856
1986		11,817,653
1987		⁶ 12,684,665
1988		⁷ 13,557,757
1989		⁸ 13,598,955
1990		⁹ 15,707,096
1991		¹⁰ 20,550,901
1992		¹¹ 23,362,975
1993		¹² 28,115,357
1994		¹³ 28,136,655
1995		¹⁴ 28,830,710

¹ Pilot program with sec. 32 funding.

² \$35,000,000 of sec. 32 funds, \$25,000,000 by direct appropriation.

³ Includes \$2,000,000 reappropriation.

⁴ Includes \$29,549,000 reappropriation.

⁵ Includes \$23,200,000 reappropriation.

⁶ Includes \$852,750,000 nutrition assistance for Puerto Rico.

⁷ Includes \$879,250,000 nutrition assistance for Puerto Rico.

⁸ Includes \$908,250,000 nutrition assistance for Puerto Rico.

⁹ Includes \$936,750,000 nutrition assistance for Puerto Rico.

¹⁰ Includes \$974,220,000 nutrition assistance for Puerto Rico and \$1,500,000,000 in supplemental appropriations available until September 30, 1992.

¹¹ Includes \$1,013,000,000 nutrition assistance for Puerto Rico.

¹² Includes \$1,051,000,000 nutrition assistance for Puerto Rico.

¹³ Includes \$1,091,000,000 nutrition assistance for Puerto Rico.

¹⁴ Includes \$1,143,000,000 nutrition assistance for Puerto Rico.

Nutrition assistance for Puerto Rico.—The Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, authorized a block grant for nutrition assistance to Puerto Rico which gives the Commonwealth broad flexibility in establishing a food assistance program which is specifically tailored to the needs of its low-income house-

holds. Beginning in fiscal year 1987, funding for this block grant program was included under the food stamp appropriation account.

COMMITTEE PROVISIONS

For the food stamp program the Committee provides an appropriation of \$27,097,828,000, a decrease of \$1,732,882,000 below the amount available for fiscal year 1995 and a decrease of \$2,665,059,000 below the budget request. The Committee does not provide \$2,500,000,000 for a contingency reserve in fiscal year 1996. The Committee established a reserve when participation was rapidly increasing and Congress was having to pass annual food stamp supplementals. The Committee notes that participation is decreasing and, therefore, does not include a reserve in fiscal year 1996.

For the Puerto Rico block grant for nutrition assistance the Committee includes \$1,143,000,000, the same amount as available for fiscal year 1995 and the same amount as the budget request.

The Committee does not provide for a transfer of funds to the Animal and Plant Health Inspection Service for the cattle tick eradication project. The Committee notes that Puerto Rico has the authority to continue to fund the project within available funds.

The Committee is aware that the Commonwealth of Puerto Rico does not allow Food and Drug Administration approved productivity enhancers for food production. Recently the Commonwealth agreed to some trial tests on productivity enhancers. The Committee expresses its interest in accelerating these pilot projects.

The Committee commends the Department and the Office of the Inspector General for their commitment to eliminating fraud in the food stamp program. It further encourages the Department to implement the use of a photograph of the recipient on Electronic Benefit Transfer (EBT) cards. American taxpayers lose \$1.8 billion each year on waste, fraud, and abuse in the food stamp program. The EBT program has been a step in the direction of reducing this fraud, but much more must be done. The Committee strongly urges the inclusion of photographs on EBT cards.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

1995 appropriation	¹ \$183,154,000
1996 budget estimate	229,889,000
Provided in the bill	215,000,000
Comparison:	
1995 appropriation	+31,846,000
1996 budget estimate	- 14,889,000

¹ Does not include \$40,000,000 for soup kitchens.

The Agriculture and Consumer Protection Act of 1973, as amended (7 U.S.C. 612c (note)), provides for a directly funded food distribution program for low-income persons residing on or near Indian reservations who choose not to participate in the food stamp program and to needy individuals in the Pacific Island Territories. This program attempts to alleviate hunger and malnutrition in low-income households by providing nutritious agricultural commodities to eligible persons. This program also funds commodity support for elderly feeding programs under titles III and IV of the Older Americans Act of 1965. Donated foods are used in meals

served in senior citizens centers or similar settings. States may elect cash-in-lieu of commodities.

The 1990 FACT Act reauthorized through fiscal year 1995 the food distribution program on Indian reservations.

COMMITTEE PROVISIONS

For the food donations programs the Committee provides an appropriation of \$215,000,000 an increase of \$31,846,000 above the amount available for fiscal year 1995 and a decrease of \$14,889,000 below the budget request. Included in the amount is \$150,000,000 for the nutrition program for the elderly and \$65,000,000 for the food distribution program on Indian reservations. Funding for the purchase of additional commodities for soup kitchens and food banks is included under the commodity assistance program.

Low-income persons residing on or near Indian reservations have the option to participate in the food stamp program or receive commodities through the food distribution program on Indian reservations. The Committee directs the Department to work with Indian reservations to begin converting this population to the food stamp program only. The Committee is aware that for some reservations this may not be feasible due to their locations.

COMMODITY ASSISTANCE PROGRAM

1995 appropriation	¹ \$189,500,000
1996 budget estimate	¹ 166,000,000
Provided in the bill	168,000,000
Comparison:	
1995 appropriation	– 21,500,000
1996 budget estimate	+2,000,000

¹ Includes funding for soup kitchens, the commodity supplemental food program, and TEFAP.

Commodity Supplemental Food Program.—The commodity supplemental food program (CSFP) provides supplemental food to infants and children up to age six, and to pregnant, postpartum, and breast-feeding women who have low incomes, and reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons 60 years of age or older.

The 1990 FACT Act (P.L. 101–624) reauthorized the program through fiscal year 1995. This law increased administrative funding from 15 percent to 20 percent of funds appropriated, discontinued administrative funding based on the value of donated commodities, and allowed establishment of elderly-only programs.

In addition, this law requires CCC to donate 4 million pounds of non-fat dry milk and 9 million pounds of cheese to the program annually, subject to availability.

The Emergency Food Assistance Program (TEFAP).—Title II of Public Law 98–8, enacted March 3, 1983, authorized and appropriated funds for costs of intrastate storage and transportation of CCC-donated commodities. Subsequent authorizations have continued the program at the \$50,000,000 level. In fiscal year 1995, \$65,000,000 was appropriated for the purchase and distribution of commodities as authorized by section 104 of the Hunger Prevention Act of 1988.

Funds are administered by the Food and Consumer Service through grants to state agencies which operate commodity distribution programs. Allocation of the funds to states is based on a formula which considers the states' unemployment rate and the number of persons with incomes below the poverty level.

In fiscal year 1994, \$48.4 million worth of surplus commodities were distributed to assist needy individuals. Donations will continue in fiscal year 1995. Precise levels will depend upon the availability of surplus commodities and requirements regarding displacement. In fiscal year 1995, \$40.0 million was used to help state and local authorities with the storage and distribution costs of providing surplus commodities to needy individuals.

The 1990 FACT Act reauthorized administrative funding through fiscal year 1995 and allowed these funds to be used for local repackaging and further processing of commodities. The law required that CCC bonus commodities be distributed through TEFAP, if available to other programs, and reauthorized funding for the purchase of TEFAP commodities.

Soup Kitchens.—In fiscal year 1995, \$40,000,000 was appropriated for the purchase and distribution of commodities to soup kitchens and food banks as authorized by section 110 of the Hunger Prevention Act of 1988.

The 1990 FACT Act reauthorized through fiscal year 1995 commodities for soup kitchens. The law further authorized the distribution of soup kitchen commodities to food pantries.

COMMITTEE PROVISIONS

For the commodity supplemental food program, soup kitchens, and the emergency food assistance program the Committee provides an appropriation of \$168,000,000, a decrease of \$21,500,000 below the amount available for fiscal year 1995 and an increase of \$2,000,000 above the budget request.

The Committee has consolidated funding for these three programs into a single appropriation. The Committee believes that this will give the Department greater flexibility to meet the needs of this constituency especially in these times of extremely tight fiscal constraints. The Committee does not agree with the Department's proposal to eliminate commodity purchases for the emergency food assistance program, and this program should not be singled out for funding elimination.

NUTRITION INITIATIVES

1995 appropriation	(¹)
1996 budget estimate	\$49,744,000
Provided in the bill	
Comparison:	
1995 appropriation	
1996 budget estimate	— 49,744,000

¹ On a comparable basis, the 1995 appropriation would be \$42,490,000, including transfers of \$12,059,000 from the Food Stamp Program; \$28,213,000 from the Child Nutrition Programs; and \$2,218,000 from the Agricultural Research Service.

This program establishes nutrition education as an integral component of all food assistance programs and supports the Center for Nutrition Policy and Promotion. This account also funds research activities supporting the program performance and effectiveness of

the food stamp program and child nutrition programs and several other special initiatives.

Pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901), the Center for Nutrition Policy and Promotion was created for the purpose of designing and disseminating nutrition education and information to all American consumers.

Research supporting the food stamp program is authorized in section 17 of the Food Stamp Act and research for the child nutrition program is authorized by section 6(a)(3) of the National School Lunch Act.

COMMITTEE PROVISIONS

The Committee does not concur with the Administration's proposal to shift mandatory programs of child nutrition and food stamps to create a new discretionary program. The Committee believes these programs are in support of mandatory programs and should be funded as such.

FOOD PROGRAM ADMINISTRATION

1995 appropriation	¹ \$106,465,000
1996 budget estimate	141,360,000
Provided in the bill	108,323,000
Comparison:	
1995 appropriation	+1,858,000
1996 budget estimate	-33,037,000

¹Appropriation has not been adjusted to reflect proposed transfers of \$16,882,000 from the Food Stamp Program and \$11,259,000 from the Child Nutrition Programs.

The food program administration appropriation provides for all of the Federal operating expenses of the Food and Consumer Service, which includes the child nutrition programs; special supplemental nutrition program for women, infants, and children (WIC); commodity supplemental food program; food stamp program; food donations programs for selected groups; and the emergency food assistance program.

The major objective of food program administration is to efficiently and effectively carry out the food assistance programs mandated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to state agencies and other cooperators; (2) assisting the states and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing progress toward program objectives; and (4) carrying out regular staff support functions.

COMMITTEE PROVISIONS

For food program administration the Committee provides an appropriation of \$108,323,000, an increase of \$1,858,000 above the amount available for fiscal year 1995 and a decrease of \$33,037,000 below the budget request. Included in this amount is \$2,218,000 for the Center for Nutrition Policy and Promotion.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

	<i>Appropriation</i>	<i>Transfer from loan accounts</i>	<i>Total, FAS</i>
1995 appropriation	¹ \$108,880,000	(\$9,131,000)	(\$118,011,000)
1996 budget estimates ..	120,201,000	(9,318,000)	(129,519,000)
Provided in the bill	114,547,000	(8,973,000)	(123,520,000)
Comparison:			
1995 appropriation .	+5,667,000	(− 158,000)	(+5,509,000)
1995 budget estimates	− 5,654,000	(− 345,000)	(− 5,999,000)

¹The 1995 appropriation is not adjusted to reflect the Department of Agriculture Reorganization Act of 1994. Funds appropriated for the EEO counseling function are included.

The Foreign Agricultural Service (FAS) was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 83-690, approved August 28, 1954, transferred the agricultural attaches from the Department of State to the Foreign Agricultural Service.

The primary function of this organization is to help American agriculture in maintaining and expanding foreign markets for agriculture products vital to the economic well-being of the nation. It maintains a worldwide agricultural intelligence and reporting service to assist the U.S. agricultural industry in its export operations through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies. It attempts to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward American products. FAS is also responsible for coordinating, planning, and directing the Department's programs in international development and technical cooperation in food and agriculture formerly carried out by the Office of International Cooperation and Development.

COMMITTEE PROVISIONS

For the Foreign Agricultural Service the Committee provides an appropriation of \$114,547,000 and transfers of \$8,973,000, for a total program level of \$123,520,000. This is an increase of \$5,509,000 above the amount available for fiscal year 1995 and a decrease of \$5,999,000 below the budget request.

Due to fiscal constraints the Committee is unable to provide the requested increases. Within the funds available, the Foreign Agricultural Service should significantly downsize the operations of the Office of International Cooperation and Development and reduce the size of the trade negotiations office. With the completion of NAFTA and GATT, these offices are overstaffed. The Committee directs FAS to continue the foreign market development program (co-operator program) at the same level as fiscal year 1995.

SCIENTIFIC ACTIVITIES OVERSEAS

(FOREIGN CURRENCY PROGRAM)

(LIMITATION ON ADMINISTRATIVE EXPENSES)

1995 level	(\$1,062,000)
1996 budget estimate	
Provided in the bill	
Comparison:	
1995 level	(- 1,062,000)
1995 budget estimate	

In fiscal year 1958, the Department initiated a research program abroad utilizing foreign currencies generated by the sale of surplus agricultural commodities under title I of Public Law 480. Originally confined to market development research authorized by section 104(b)(1) of Public Law 480, as amended, the program was subsequently expanded to include agricultural and forestry research under section 101(b)(3) of Public Law 480, as amended. It now involves work in the following general areas: farm research, utilization research, marketing research, forestry research, agricultural economics, and human nutrition research.

COMMITTEE PROVISIONS

The Committee does not provide a limitation on administrative expenses for scientific activities overseas.

PUBLIC LAW 480

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

	<i>Credit level</i>	<i>Loan subsidy</i>	<i>Administrative ex- penses</i>
1995 level	¹ (\$291,342,000)	² \$236,162,000	\$2,461,000
1996 budget estimates ..	(161,540,000)	131,833,000	1,750,000
Provided in the bill	(291,342,000)	236,162,000	1,750,000
Comparison:			
1995 level			- 711,000
1995 budget esti- mates	(+129,802,000)	+104,329,000	

¹ Excludes proposed rescission of \$54,114,000.

² Excludes proposed rescission of \$43,865,000.

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy cost associated with direct loans obligated in 1996 and beyond, as well as for administrative expenses.

Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under section 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Title I of the legislation authorizes financing of sales to developing countries for local currencies and for dollars on credit terms. Sales for dollars or local currency may be made to foreign governments. The legislation provides for repayment terms either in local currencies or U.S. dollars on credit terms of up to 30 years, with a grace period of up to 7 years.

Local currencies under title I sales agreements may be used in carrying out activities under section 104 of the Agricultural Trade

Development and Assistance Act of 1954, as amended. Activities in the recipient country for which these local currencies may be used include developing new markets for U.S. agricultural commodities, paying U.S. obligations, and supporting agricultural development and research.

Title I appropriated funds may also be used under the Food for Progress Act of 1985, as amended, to furnish commodities on credit terms or on a grant basis to assist developing countries and countries that are emerging democracies that have a commitment to introduce and expand free enterprise elements in their agricultural economies.

PUBLIC LAW 480 TITLE I GRANT ACCOUNT

1995 appropriation	¹ \$29,000,000
1996 budget estimate	16,417,000
Provided in the bill	25,000,000
Comparison:	
1995 appropriation	– 4,000,000
1996 budget estimate	+8,583,000

¹ Excludes proposed rescission of \$6,135,000.

Ocean freight differential costs in connection with commodities sales financed for local currencies or U.S. dollars (title I).—The Commodity Credit Corporation pays ocean freight differential costs on shipments under this title. These costs are the difference between foreign flag and U.S. flag shipping costs.

PUBLIC LAW 480 TITLE II GRANT ACCOUNT

1995 appropriation	\$821,100,000
1996 budget estimate	795,703,000
Provided in the bill	821,100,000
Comparison:	
1995 appropriation	
1996 budget estimate	+25,397,000

Commodities supplied in connection with dispositions abroad (title II) (7 U.S.C. 1721–1726).—Commodities are supplied without cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for non-emergencies through public and private agencies, including intergovernmental organizations. The Commodity Credit Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a land-locked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

PUBLIC LAW 480 TITLE III GRANT ACCOUNT

1995 appropriation	¹ \$157,442,000
1996 budget estimate	50,000,000
Provided in the bill	50,000,000
Comparison:	
1995 appropriation	– 107,442,000
1996 budget estimate	

¹ Excludes proposed rescission of \$92,500,000.

Commodities supplied in connection with dispositions abroad (title III).—Commodities are supplied without cost to least developed countries through foreign governments for direct feeding, development of emergency food reserves, or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes. The Commodity Credit Corporation may pay ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs.

COMMITTEE PROVISIONS

The following table reflects the loan levels, subsidy levels, and administrative costs for all P.L. 480 programs:

	FY 1995 enacted	FY 1996 request	Committee provisions
Public Law 480 Program Account:			
Title I—Credit sales:			
Program level	(\$320,342,000)	(\$177,957,000)	(\$316,342,000)
Direct loans	(291,342,000)	(161,540,000)	(291,342,000)
Ocean freight differential	29,000,000	16,417,000	25,000,000
Title II—Commodities for disposition abroad:			
Program level	(821,100,000)	(795,703,000)	(821,100,000)
Appropriation	821,100,000	795,703,000	821,100,000
Title III—Commodity grants:			
Program level	(157,442,000)	(50,000,000)	(50,000,000)
Appropriation	157,442,000	50,000,000	50,000,000
Loan subsidies	236,162,000	131,833,000	236,162,000
Debt restructuring		1,500,000	
Salaries and expenses:			
General Sales Manager	1,425,000	1,005,000	1,005,000
CFSA	1,036,000	745,000	745,000
Subtotal	2,461,000	1,750,000	1,750,000
Total, Public Law 480:			
Program level	(1,298,884,000)	(1,023,660,000)	(1,187,442,000)
Appropriation	1,246,165,000	997,203,000	1,134,012,000

CCC EXPORT LOANS PROGRAM ACCOUNT

	Guaranteed loan subsidy	Administrative expenses
1995 appropriation	\$394,393,000	\$3,381,000
1996 budget estimates	374,347,000	3,745,000
Provided in the bill	374,347,000	3,381,000
Comparison:		
1995 appropriation	— 20,046,000	
1996 budget estimates		— 364,000

Under the export credit programs, guarantees are provided by CCC for the repayment of commercial credit extended to finance U.S. agricultural export sales. The GSM-102 program covers export credit with repayment terms of up to three years. The Agricultural Trade Act of 1978, as amended, requires that not less than \$5 billion in GSM-102 guarantees be made available annually. The GSM-103 program provides intermediate-term credit with repayment terms of three to ten years. Not less than \$500 million in GSM-103 guarantees are required to be made available annually.

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the

lifetime subsidy costs associated with the loan guarantees committed in 1996 and beyond, as well as for administrative expenses.

Funding for the loan subsidy costs of CCC export credit is provided through a permanent, indefinite appropriation and not by annual appropriation.

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

	<i>Appropriation</i>	<i>User fee accounts</i>	<i>Total</i>
1995 appropriation	\$819,971,000	(\$85,923,000)	(\$905,894,000)
1996 budget estimates ¹	828,999,000	(136,463,000)	(965,462,000)
Provided in the bill	819,971,000	(97,723,000)	(917,694,000)
Comparison:			
1995 appropriation		(+11,800,000)	(+11,800,000)
1996 budget esti- mates	- 9,028,000	(- 38,740,000)	(- 47,768,000)

¹The President's budget request proposed legislative changes that would have allowed the FDA to collect \$38,740,000 in currently unauthorized user fees.

The programs of the Food and Drug Administration (FDA) are designed to achieve a single overall objective: consumer protection. FDA's mission is to ensure that: (1) food is safe, pure, and wholesome; (2) human and animal drugs, biological products, and medical devices are safe and effective; and (3) radiological products and use procedures do not result in unnecessary exposure to radiation.

To accomplish its mission, FDA: (1) sets food and product standards; (2) evaluates the safety and efficacy of new drugs and medical devices before they are marketed; (3) conducts and sponsors research studies to detect health hazards and violations of laws or regulations, to improve the agency's base of scientific knowledge in toxicology and other disciplines, and to promote development of orphan products; (4) informs business firms and consumers about FDA-related topics; (5) works with state and local agencies to develop programs that will supplement or complement those of FDA; (6) maintains surveillance over foods, drugs, medical devices and electronic products to ensure that they are safe, effective, and honestly labeled; and (7) takes legal action where necessary to remove violative products from the marketplace and to prosecute firms or individuals that violate the law.

Through its regulation of food, FDA protects and promotes the health of nearly every American by monitoring the food industry to safeguard against contamination by dangerous bacteria and molds and other natural and man-made toxins, and by regulating the safe use of veterinary drugs and feed additives to protect consumers against hazardous drug residues or by-products that may remain in meat. FDA also assures that consumers are not victimized by adulteration; promotes informative labeling to assist consumers in choosing foods; and examines imported foods to see that they meet the same standards as domestic products. FDA also provides lead-

ership and assistance to the states and local authorities in conducting their responsibilities.

COMMITTEE PROVISIONS

For the Food and Drug Administration the Committee provides a program level of \$917,694,000, an increase of \$11,800,000 above the amount available for fiscal year 1995 and a decrease of \$47,768,000 below the budget request. The recommendation includes increases for the Prescription Drug User Fee Act of \$5,300,000 and estimated increases for the Mammography Quality Clinic Act of \$6,500,000. The Committee does not concur with the request to provide authorization to establish new user fees for the medical device program and food inspection user fees on imported products.

The Committee is concerned about the continued reports of overstaffing at the Commissioner's office level. In response to hearing questions, the FDA indicated it would assign 1,150 full-time equivalents to the Office of the Commissioner. No explanation was provided to justify such a number. For future budget justifications the Committee expects better accounting for FTE's and costs associated with the Offices of the Commissioner, Deputy Commissioner, and Associate Commissioners; the Office of Program Management; and the Office of Criminal Investigations. Information should include both direct and indirect costs associated with detailed positions.

The Committee has become very concerned about the relationship between the medical device manufacturers and the Food and Drug Administration. The number of reported complaints and anecdotal problems has become increasingly larger. The Committee expects the Commissioner to take immediate steps to reduce activities in lower priority areas and redirect FTE's into the medical device approval process. The Commissioner should closely monitor travel, publications, congressional affairs, and other overhead costs and direct savings into higher priorities, such as the medical device area and food additive approvals.

FDA shall respond to congressional requests for information about its activities in a prompt and complete manner. If FDA cannot release requested information because of any legal restriction, the agency shall make that fact known to the office making the request at the earliest possible time.

The Fiscal Year 1995 Commerce, Justice and State Appropriation conference report approved a transfer of \$500,000 in Saltonstall-Kennedy funds for a comprehensive education program for at-risk consumers who consume raw molluscan shellfish. The Conference report directed that these funds be used for a multi-year program that includes industry participation. The Committee is concerned about some of the methods that FDA has developed in expending these funds and expects the FDA to ensure active participation from the affected shellfish industry in the development and review of these education programs. A program focused on educating those at risk of the proper consumption practices with raw molluscan shellfish should continue. The Committee also supports developing practical methods to significantly reduce or eliminate the risks of vibrio vulnificus in raw molluscan shellfish by expending research

funds to assist in the development of these methods. The Committee directs FDA to provide \$250,000 in additional funds in fiscal year 1996 to continue and enhance the education program and begin these research efforts. Of this amount, \$100,000 will be used for research. The education and research funds shall be available to state agencies, academic institutions, and the private sector to carry out these programs. The FDA should not expend more than 5% of these funds for the administration of these programs.

The regulations dealing with standards of quality and identity for bottled water, which had been pending for over a decade, were finally issued in proposed form in 1993. These regulations affect public health and safety and are supported by the majority of the bottled water industry. The Committee is concerned about the inordinately long processing time for these regulations and expects FDA to expeditiously move these regulations to final notice.

In the January 6, 1993, *Federal Register*, the Food and Drug Administration proposed a rule requiring food products, which contain hydrolyzed proteins and autolyzed yeast extracts, to be labeled "contains glutamate." In its proposed rule the FDA stated that there is no public health basis for requiring a declaration of glutamate present in food as a component of hydrolyzed protein. The Committee is concerned with the potential loss of more than 2,000 jobs nationwide if this rule were implemented. The Committee expects FDA to reconsider the proposed rule, taking into consideration the severe economic impact and potential loss of jobs that would result from its implementation.

BUILDINGS AND FACILITIES

1995 appropriation	\$18,150,000
1996 budget estimate	8,350,000
Provided in the bill	15,350,000
Comparison:	
1995 appropriation	-2,800,000
1996 budget estimate	+7,000,000

The Buildings and Facilities account was established for repair and improvement of existing facilities, as well as for construction of new facilities when needed.

COMMITTEE PROVISIONS

For buildings and facilities of the Food and Drug Administration the Committee provides \$15,350,000, a decrease of \$2,800,000 below the amount available for fiscal year 1995 and an increase of \$7,000,000 above the budget request. The increase above the budget request is to continue the consolidation of field offices. The funds should be used to continue renovation of the National Center for Toxicological Research (NCTR).

RENTAL PAYMENTS

1995 appropriation	\$46,294,000
1996 budget estimate	46,294,000
Provided in the bill	46,294,000
Comparison:	
1995 appropriation	
1996 budget estimate	

Annual appropriations are made to agencies of the Federal government so that they can pay the General Services Administration fees for rental of space and for related services.

COMMITTEE PROVISIONS

For rental payments of the Food and Drug Administration the Committee provides an appropriation of \$46,294,000, the same as the amount available for fiscal year 1995 and the same as the budget request.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

1995 appropriation	\$57,026,000
1996 budget estimate	15,453,000
Provided in the bill	15,453,000
Comparison:	
1995 appropriation	- 41,573,000
1996 budget estimate	

The Agricultural Credit Act of 1987 (Public Law 100-233) authorized such sums as necessary to be appropriated to the Secretary of the Treasury for Payment to the Farm Credit System Financial Assistance Corporation. These payments reimburse the Corporation for interest expenses on U.S. guaranteed debt issued by the Corporation. Assistance Corporation debt proceeds will be used to provide assistance to financially troubled System institutions. Beginning in fiscal year 1989, Treasury annually reimburses 100 percent of the Assistance Corporation interest expense incurred until January 1994. Between January 1994 and the ensuing five years, Treasury will reimburse up to 50 percent of the Assistance Corporation's interest expense, with System banks paying the balance. Thereafter all Assistance Corporation interest expense will be paid by System banks.

COMMITTEE PROVISIONS

For interest expenses incurred by the Farm Credit System Financial Assistance Corporation the Committee provides an appropriation of \$15,453,000, a decrease of \$41,573,000 below the amount available for fiscal year 1995 and the same amount as the budget request.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

1995 appropriation	\$49,144,000
1996 budget estimate	59,711,000
Provided in the bill	49,144,000
Comparison:	
1995 appropriation	
1996 budget estimate	- 10,567,000

The Commodity Futures Trading Commission (CFTC) administers the Commodity Exchange Act of 1936, as amended. The pur-

pose of the Commission is to further the economic utility of futures and option markets by encouraging their efficiency, assuring their integrity, and protecting participants against abusive trade practices, fraud, and deceit. The objective is to enable the markets to better serve their designated function in providing a price discovery mechanism and as a means of offsetting price risk. In properly serving these functions, the futures markets contribute toward better planning, more efficient distribution and consumption, and more economical marketing.

COMMITTEE PROVISIONS

For the Commodity Futures Trading Commission the Committee provides an appropriation of \$49,144,000, the same as the amount available for fiscal year 1995 and a decrease of \$10,567,000 below the budget request.

The Commission has made a strong case that the volume and complexity of its oversight, enforcement, and analysis activities continue to grow dramatically. However, the fiscal year 1996 funding level reflects the severe budget constraints under which the Committee must operate.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1995 appropriation	(\$40,420,000)
1996 budget estimate	(39,900,000)
Provided in the bill	
Comparison:	
1995 appropriation	(- 40,420,000)
1996 budget estimate	(- 39,900,000)

The Farm Credit Administration (FCA) originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1. From December 4, 1953 to January 23, 1986, the Administration was an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636). The Farm Credit Amendments Act of 1985 (P.L. 99-205) clarified the FCA's role as an arm's-length financial regulator, granting it the same intermediate enforcement powers as other Federal financial regulatory agencies. The Act also replaced the Federal Farm Credit Board of 13 Presidentially appointed part-time Board members with the FCA Board, comprised of a Chairman and two other Board members, all serving in a full-time capacity. Not more than two members of the Board shall be members of the same political party.

The FCA is responsible for regulating, supervising, and examining the institutions of the Farm Credit System (System). The FCA and the System institutions operate under the authority of the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.). The institutions of the System are the Farm Credit banks, Federal land bank associations, Federal intermediate credit bank, production credit associations, Federal land credit associations, agricultural credit associations, and banks for cooperatives. The combined lending activities in the System institutions provided short- and long-term credit to the nation's farmers, ranchers, and producers and harvesters of

aquatic products, and their cooperatives. System institutions are owned by their member borrowers. The operation of the System is funded through the sale of Systemwide consolidated bonds and discount notes in the public money markets, and the institutions are fully liable for the payment of these securities. The operating expenses of the FCA are paid by the System institutions and by the Federal Agricultural Mortgage Corporation through assessments, which are deposited in a special fund in the Treasury which is available for the use of the FCA.

COMMITTEE PROVISIONS

The Committee provides no limitation on administrative expenses for the Farm Credit Administration for fiscal year 1996. The Farm Credit Administration retains the authority to collect and use the assessments of the institutions of the Farm Credit System for its operating expenses. The Committee will continue its oversight of the Farm Credit Administration and issues related to the Administration's activities.

TITLE VII—GENERAL PROVISIONS

Sections 701 through 714 and 717 through 719 of the General Provisions contained in the accompanying bill for fiscal year 1996 are fundamentally the same as those included in last year's appropriations bill.

Section 715. Provides that none of the funds in this Act shall be used to enroll more than 100,000 acres in the wetlands reserve program in fiscal year 1996.

Section 716. Provides that none of the funds in this Act may be used to enroll additional acres in the conservation reserve program.

Section 720. Provides that none of the funds in this Act shall be used to carry out an export enhancement program in excess of \$800,000,000.

Section 721. This provision prohibits payments and loan forfeitures to support the price of honey in excess of zero dollars in the 1994, 1995, and 1996 crop years.

Section 722. Provides that none of the funds in this Act may be used to provide feed assistance to livestock producers if crop insurance protection is available.

Section 723. Provides that not more than 5% of Class A stock of the Rural Telephone Bank may be retired in fiscal year 1995.

Section 724. Provides that none of the funds appropriated or otherwise made available by this Act may be used to provide benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

Section 725. Provides that none of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any applicable Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4), rule XI of the House of Representatives, the Committee offers the following statement in support of its opinion that this bill, as proposed, will have no overall inflationary impact over the broad spectrum of the nation's economy.

New obligational authority has been reduced below the 1995 budget request. Restoration and other increases made by the Committee for certain essential purposes, as discussed earlier in this report, have been more than offset by reductions elsewhere.

The restoration of funds for rural development programs should result in a substantial benefit in our economy by providing additional employment in the construction industry—a noninflationary benefit.

The restoration and addition of funds for the various research, extension, and conservation activities of USDA should help to protect our nation's land and water resources and encourage food and fiber production to meet domestic and overseas needs, both of which are anti-inflationary in effect.

TRANSFER OF UNEXPENDED BALANCES

Pursuant to clause 1(b), rule X of the House of Representatives, the following statement is submitted describing the transfer of unexpended balances provided in the accompanying bill. Transfers of unexpended balances are assigned to the jurisdiction of the Committee on Appropriations by clause 1(b)(2) of rule X.

1. *Office of the Secretary.*—The bill allows the transfer of unobligated balances of representation funds in the Foreign Agricultural Service to the Office of the Secretary.

2. *Agriculture Buildings and Facilities and Rental Payments.*—The bill allows transfers to or from the rental payments account based on changing space requirements.

3. *Hazardous Waste Management.*—The bill allows the funds appropriated to the Department for hazardous waste management to be transferred to agencies of the Department as required.

4. *Departmental Administration.*—The bill allows reimbursement for expenses related to certain hearings.

5. *Agricultural Research Service.*—The bill authorizes the transfer of not to exceed \$190,000 to the Office of the Under Secretary for Research, Education and Economics for the review of international issues involving agricultural chemicals and food additives.

6. *Animal and Plant Health Inspection Service.*—Authority is included to enable the Secretary of Agriculture to transfer from other appropriations or funds of the Department such sums as may be necessary to combat emergency outbreaks of certain diseases of animals, plants, and poultry.

7. *Agricultural Marketing Service.*—The bill limits the transfer of section 32 funds to purposes specified in the bill.

8. *Dairy Indemnity Program.*—The bill authorizes the transfer of funds to the Commodity Credit Corporation.

9. *Agricultural Credit Insurance Fund.*—The bill provides for the transfer of administrative funds to the Rural Utilities Service and the Rural Housing and Community Development Service.

10. *Wetlands Reserve Program.*—The bill authorizes the transfer of wetlands reserve funds to the Commodity Credit Corporation to carry out the program.

11. *Agricultural Conservation Program.*—The bill authorizes the transfer of not to exceed 5 percent of the allocation to the Natural Resources Conservation Service for technical assistance in carrying out the ACP. The bill also authorizes the transfer of not to exceed 1 percent of the allocation to any other Federal, State, or local public agency for the same purpose and under the same conditions.

12. *Conservation Reserve Program.*—The bill authorizes the transfer of CRP funds to the Commodity Credit Corporation for cost-share assistance.

13. *Rural Housing Insurance Fund Program Account; Rural Economic Development Loans Program Account; Rural Electrification and Telephone Loans Program Account; Rural Development Per-*

formance Partnerships Program; Community Facility Loans Program Account; Rural Business and Industry Loans Program Account; and Rural Development Loans Fund Program Account.—The bill provides that administrative funds may be transferred to various salaries and expenses accounts.

14. *Child Nutrition Programs.*—The bill includes authority to transfer section 32 funds to these programs.

15. *Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).*—The bill provides that unobligated balances from the supervisory and technical assistance program be transferred to the WIC program.

16. *Foreign Agricultural Service.*—The bill allows for transfer of funds from the Commodity Credit Corporation; the Commodity Credit Corporation program account; and from the Public Law 480 program account to cover related salaries and expenses.

17. *Public Law 480.*—The bill allows for the transfer of up to 15 percent of the funds between titles I, II, and III.

18. *Commodity Credit Corporation Export Loans Program.*—The bill provides for transfer of funds to the Foreign Agricultural Service and \$589,000 to the Consolidated Farm Service Agency for overhead expenses associated with Credit Reform.

19. *Rental Payments (FDA).*—The bill allows transfer to or from the rental payments account based on changing space requirements.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3, rule XXI of the House of Representatives, the following statements are submitted describing the effect or provisions in the accompanying bill which directly or indirectly change the application of existing law. In most instances, these provisions have been included in prior appropriations bills, often at the request of or with the knowledge and consent of the responsible legislative committees.

Language is included in various parts of the bill to continue ongoing activities of those Federal agencies which require annual authorization or additional legislation which to date has not been enacted.

Language is included in the bill in several accounts that earmarks funds for empowerment zones and enterprise communities as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law:

1. *Office of the Secretary.*—Language is included to limit the amount of funds for official reception and representation expenses, as determined by the Secretary.

2. *Agriculture Buildings and Facilities and Rental Payments.*—Language is included that provides \$20,216,000 be retained by USDA for maintenance, repairs, and renovations of USDA facilities. Language is also included which allows the transfer of limited amounts to and from this account.

3. *Agricultural Research Service.*—The bill includes language that prohibits funds from being used to carry out research related to the production, processing or marketing of tobacco or tobacco products. The bill also includes language that allows for the transfer of the title to facilities and equipment to non-Federal sources.

4. *Cooperative State Research, Education, and Extension Service.*—The bill includes language that prohibits funds from being used to carry out research related to the production, processing or marketing of tobacco or tobacco products.

5. *Animal and Plant Health Inspection Service.*—A provision carried in the bill since fiscal year 1973 regarding state matching funds has been continued to assure more effective operation of the brucellosis control program through state cost sharing, with resulting savings to the Federal budget.

Language is included to allow APHIS to recoup expenses incurred from providing training to non-APHIS personnel.

6. *Grain Inspection, Packers and Stockyards Administration, Inspection and Weighing Services.*—The bill includes authority to exceed the limitation on inspection and weighing services by 10 percent with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight, or other uncontrollable factors occur.

7. *Agricultural Marketing Service.*—The bill includes language that allows the Secretary to charge user fees for AMS activity related to preparation of standards.

8. *Agricultural Marketing Service, Limitation on Administrative Expenses.*—The bill includes language to allow AMS to exceed the limitation on administrative expenses by 10 percent with notification to the Appropriations Committees. This allows flexibility in case crop size is understated and/or other uncontrollable events occur.

9. *Section 32 Funds.*—The bill includes authority, which has been in the bill since fiscal year 1976, to transfer section 32 funds to the child nutrition programs. This is required to increase funds available for cash payments to states for these programs and to purchase and distribute agricultural commodities pursuant to section 6 of the National School Lunch Act. Under the paragraph in the bill headed "Funds for Strengthening Markets, Income, and Supply (Section 32)", language is included to authorize these transfers.

10. *Commodity Credit Corporation Fund, Reimbursement for Net Realized Losses.*—Language is included to provide for the reimbursement appropriation.

11. *Natural Resources Conservation Service—Conservation Operations.*—This language, which has been included in the bill since 1938, prohibits construction of buildings on land not owned by the government, although construction on land owned by states and counties is authorized by basic law. This paragraph also includes language carried in the bill since 1950, which prohibits the use of funds for demonstration projects authorized by the Act of April 27, 1935.

12. *Watershed and Flood Prevention Operations.*—Language, which was also included in the Emergency Jobs Bill and all bills since 1984, provides that funds may be used for rehabilitation of existing works.

13. *Consolidated Farm Service Agency—Agricultural Conservation Program.*—Language is included under this item which continues a limitation carried in the bill since fiscal year 1963 to prevent provision of financial or technical assistance for drainage on certain wetlands. This proviso, which was expanded in the 1979 bill, is designed to prevent the drainage of potholes in various parts of the country which are most vital to the preservation of the supply of American waterfowl. Also, a provision is continued in the bill to limit payments to any one participant to \$3,500, which is below the level authorized by existing law. Exception is provided where two or more participants join together or for long-term agreements. Language included since 1980 provides that the conservation practices to be used shall be those determined and recommended by county committees and approved by state committees and the Secretary.

The bill includes language to allow ACP funds to be used for the water quality incentives program.

14. *Conservation Reserve Program.*—Language is included which allows CRP payments to be made by the Commodity Credit Corporation.

15. *Wetlands Reserve Program.*—Language is included which allows the use of services and facilities of CCC in carrying out the wetlands reserve program.

16. *Rural Housing and Community Development Service—Rental Assistance Program.*—Language is included which provides that agreements entered into during fiscal year 1996 be funded for a five-year period.

17. *Food and Consumer Service—Child Nutrition Programs.*—Provides that no funds other than provided in this Act may be available for nutrition education and training and the Food Service Management Institute.

18. *Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).*—Language is included which prohibits funding for administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program. Language is also included that provides a participation limit of not more than 7.3 million on September 30, 1996.

19. *Commodity Assistance Program.*—Language is included in the bill providing that none of the funds are available to reimburse CCC for commodities donated to the program and prohibits funds from being used for demonstration projects.

20. *Foreign Agricultural Service.*—Language carried since 1979 enables this organizational unit to utilize funds received by an advance or by reimbursement to carry out its activities involving international development and technical cooperation.

The bill includes language that prohibits funds from being used to promote the sale or export of tobacco or tobacco products.

21. *Public Law 480.*—A provision is included which limits transfers between titles I, II, and III to 15 percent.

22. *Food and Drug Administration.*—Language included since 1986 prohibits any user fee authorized by 31 U.S.C. 9701.

23. *Rental Payments (FDA).*—Language included since 1985 allows transfer of limited amounts to and from this account.

24. *Commodity Futures Trading Commission.*—Language is included to allow CFTC to recoup expenses incurred from providing training to non-CFTC personnel.

25. *General Provisions.*—

Section 704: This provision repeats language carried since 1972 which permits the accumulation of growth capital not to exceed \$2,000,000, and which provides that no funds appropriated to an agency shall be transferred to the Working Capital Fund without the approval of the agency administrator.

Section 705: This provision, carried since 1976, is again included which provides that certain appropriations in this Act shall remain available until expended where the programs or projects involved are continuing in nature under the provisions of authorizing legislation, but for which such legislation does not specifically provide for extended availability. This authority tends to result in savings by preventing the wasteful practice often found in government of rushing to commit funds at the end of the fiscal year without due regard to the value of the purpose for which the funds are used. Such extended availability is also essential in view of the long lead time frequently required to negotiate agreements or contracts which normally extend over a period of more than one year. Under these conditions such authority is commonly provided in Appropriations Acts where omitted from basic law. These provisions have been carried through the years in this Act to facilitate efficient and effective program execution and to assure maximum savings. They involve the following items: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions and the reserve fund for integrated systems acquisition project, the boll weevil program and up to 10 percent of the screwworm program; Food Safety and Inspection Service, field automation and information management project; and Cooperative State Research, Education, and Extension Service, funds for the Native American institutions endowment fund and competitive research grants; Foreign Agricultural Service, middle-income country training program; and funds appropriated for rental payments.

Section 708: This provision, included since fiscal year 1981, limits the overhead that can be charged on cooperative agreements to a maximum of 10 percent. This provision is necessary because many universities attempted to apply the same overhead rates to cooperative agreements as was being applied to grants and contracts, without giving consideration to the cooperator's contributions as an offset to the overhead charges.

Section 710: This provision, carried since 1983, provides that none of the funds in this Act shall be available to reimburse the General Services Administration for rental payment in excess of the amounts specified in the Act.

Section 711: This provision, added in 1987, provides that none of the funds in this Act may be used to restrict the authority of CCC to lease space. This provision allows CCC to continue to lease space at a lower cost than space leased by GSA.

Section 712: This provision, added in 1990, provides that none of the funds in this Act may be made available to pay indirect costs on competitive research grants awarded by the Cooperative State

Research, Education, and Extension Service in excess of 14 percent of total direct costs.

Section 713: This provision clarifies that loan levels provided in the Act are to be considered estimates and not limitations. The Federal Credit Reform Act of 1990 provides that the appropriated subsidy is the controlling factor for the amount of loans made and that as lifetime costs and interest rates change, the amount of loan authority will fluctuate.

Section 714: This provision allows funds made available in fiscal year 1996 for the Rural Telephone Bank Program Account; the Rural Electrification and Telecommunications Loans Program Account; and the Rural Economic Development Loans Program Account to remain available until expended. The Credit Reform Act requires that the lifetime costs of loans be appropriated. Current law requires that funds unobligated after five years expire. The life of some loans extends well beyond the five-year period and this provision allows funds appropriated to remain available until the loans are closed out.

Section 715: This provision provides that none of the funds in this Act may be used to enroll more than 100,000 acres in the wetlands reserve program in fiscal year 1996.

Section 716: This provision provides that none of the funds in this Act may be used to enroll additional acres in the conservation reserve program.

Section 717: This provision provides that sums necessary for fiscal year 1996 pay raises shall be absorbed within the levels appropriated in this Act.

Section 718. This provision, added in fiscal year 1994, provides for compliance with the Buy American Act.

Section 719. This provision provides that the Agricultural Marketing Service may use cooperative agreements.

Section 720. This provision provides a limitation on the amount of funds for an export enhancement program.

Section 721. This provision prohibits payments and loan forfeitures to support the price of honey in excess of zero dollars in the 1994, 1995 and 1996 crop years.

Section 722. This provision provides that none of the funds in this Act may be used to provide feed assistance to livestock producers if crop insurance is available.

Section 723. Provides that not more than 5% of Class A stock of the Rural Telephone Bank may be retired in fiscal year 1995.

Section 724. Provides the funds may not be used to provide benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law:

Agricultural Research Service
Cooperative State Research, Education, and Extension Service
Very Low-Income Housing Repair Grants

Compensation for Construction Defects
 Rural Housing for Domestic Farm Labor
 Mutual and Self-Help Housing Grants
 Distance Learning and Medical Link Grants
 Rural Rental Housing Program
 Food Stamp Program
 Nutrition Assistance to Puerto Rico
 The Emergency Food Assistance Program
 Soup Kitchens
 Food Donations Programs
 Commodity Supplemental Food Program
 Forestry Incentives Program
 Public Law 480 Program
 Sunflower and Cottonseed Oil Assistance Program

The Committee notes that most of the programs listed are in various stages of reauthorization and it is anticipated that these programs will be authorized for fiscal year 1996.

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, requires that the report accompanying a bill providing new budget authority contains a statement detailing how the authority compares with the reports submitted under section 602 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

SUBCOMMITTEE DATA

[In millions of dollars]

	602(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Comparison with budget resolution:				
Discretionary	\$13,260	\$13,521	\$13,260	\$13,508
Mandatory	46,501	36,434	49,243	39,087
Total	59,761	49,955	62,503	52,595

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

FIVE-YEAR PROJECTION OF OUTLAYS

In compliance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

[In millions of dollars]

Budget authority	\$62,503
Outlays:	
1996	45,770
1997	3,441
1998	957

1999	376
2000 and beyond	313

TAX EXPENDITURES

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the following information was provided to the Committee by the Congressional Budget Office:

The bill provides no new revenues or tax expenditures, and will have no effect on budget authority, budget outlays, spending authority, revenues, tax expenditures, direct loan obligations, or primary loan guarantee commitments available under existing law for fiscal year 1996 and beyond.

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the financial assistance to state and local governments is as follows:

[In millions of dollars]	
New budget authority	\$14,264
Fiscal year 1996 outlays resulting therefrom	11,943

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 1996, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee. The term "program, project, and activity" shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 1996, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a Sequestration Order is necessary, in implementing the required Presidential Order, departments and agencies shall apply any percentage reduction for fiscal year 1996 pursuant to the provisions of Public Law 99-177 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 1996 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

For the Natural Resources Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Consolidated Farm Service Agency the definition shall include individual state, district and county offices.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 22(l)(2)(b) of rule XI of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NUMBER 1

Date: June 27, 1995.

Measure: Department of Agriculture appropriations bill, FY 1996
Motion by: Mr. Durbin.

Description of motion: Substitute amendment to the Walsh amendment that would establish a committee to negotiate major issues within 3 months on any rulemaking dealing with the hazard analysis and critical control point system for meat inspection.

Results: Adopted, 14 to 27.

Members Voting Yea: Mr. Bunn, Mr. Coleman, Mr. Dicks, Mr. Durbin, Mr. Fazio, Mr. Hoyer, Mrs. Lowey, Mr. Obey, Mr. Sabo, Mr. Skaggs, Mr. Thornton, Mr. Visclosky, Mr. Wolf, Mr. Yates.

Members Voting Nay: Mr. Bevill, Mr. Bonilla, Mr. Dickey, Mr. Forbes, Mr. Frelinghuysen, Mr. Hobson, Mr. Istook, Mr. Kingston, Mr. Knollenberg, Mr. Kolbe, Mr. Lewis, Mr. Lightfoot, Mr. Livingston, Mr. Miller, Mr. Myers, Mr. Nethercutt, Mr. Neumann, Mr. Packard, Mr. Porter, Mr. Regula, Mr. Riggs, Mr. Rogers, Mr. Skeen, Mr. Taylor, Mrs. Vucanovich, Mr. Walsh, Mr. Wicker.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NUMBER 2

Date: June 27, 1995.

Measure: Department of Agriculture appropriations bill, FY 1996
Motion by: Mr. Walsh.

Description of motion: To require negotiated rulemaking procedures to be used in developing any rulemaking dealing with the hazard analysis and critical control point system for meat inspection.

Results: Adopted, 26 to 15.

Members Voting Yea: Mr. Bevill, Mr. Bonilla, Mr. Dickey, Mr. Forbes, Mr. Hobson, Mr. Istook, Mr. Kingston, Mr. Knollenberg, Mr. Kolbe, Mr. Lewis, Mr. Livingston, Mr. Miller, Mr. Myers, Mr. Nethercutt, Mr. Neumann, Mr. Packard, Mr. Porter, Mr. Regula, Mr. Riggs, Mr. Rogers, Mr. Skeen, Mr. Taylor, Mr. Thornton, Mrs. Vucanovich, Mr. Walsh, Mr. Wicker.

Members Voting Nay: Mr. Bunn, Mr. Coleman, Mr. Dicks, Mr. Durbin, Mr. Fazio, Mr. Frelinghuysen, Mr. Hoyer, Mr. Lightfoot, Mrs. Lowey, Mr. Obey, Mr. Sabo, Mr. Skaggs, Mr. Visclosky, Mr. Wolf, Mr. Yates.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996**

(1) Agency and item	(2) Appropriated, 1995 (Enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appro- priated, 1995	(6) Bill compared with budget estimates, 1996
TITLE I - AGRICULTURAL PROGRAMS					
Production, Processing, and Marketing					
Office of the Secretary	2,801,000	2,886,000	10,227,000	+ 7,426,000	+ 7,341,000
Executive Operations:					
Chief Economist		4,240,000	3,748,000	+ 3,748,000	-492,000
Office of the Assistant Secretary for Economics	540,000			-540,000	
World Agricultural Outlook Board	2,498,000			-2,498,000	
National Appeals Division		12,166,000	11,846,000	+ 11,846,000	-320,000
Office of Budget and Program Analysis	5,795,000	5,899,000	5,899,000	+ 104,000	
Office of Small and Disadvantaged Business Utilization		724,000			-724,000
Total, Executive Operations	8,833,000	23,029,000	21,493,000	+ 12,660,000	-1,536,000
Chief Financial Officer	580,000	4,952,000	4,133,000	+ 3,553,000	-819,000
Office of the Assistant Secretary for Administration	596,000	616,000	596,000		-20,000
Agriculture buildings and facilities (USDA)	135,193,000	135,774,000	135,774,000	+ 581,000	
Payments to GSA	(87,957,000)	(89,971,000)	(89,971,000)	(+ 2,014,000)	
Building operations and maintenance	(18,614,000)	(20,216,000)	(20,216,000)	(+ 1,602,000)	
Repairs, renovations, and construction	(28,622,000)	(25,587,000)	(25,587,000)	(-3,035,000)	
Advisory committees (USDA)	928,000	885,000	800,000	-128,000	-85,000
Hazardous waste management	15,700,000	15,700,000	15,700,000		
Departmental administration	26,187,000	87,347,000	27,986,000	+ 1,799,000	-59,361,000

Office of the Assistant Secretary for Congressional Relations.....	1,764,000	1,838,000	3,797,000	+ 2,033,000	+ 1,959,000
Office of Communications.....	8,198,000	8,890,000	8,198,000	.....	-692,000
Office of the Inspector General.....	63,418,000	64,739,000	63,639,000	+ 221,000	-1,100,000
Office of the General Counsel.....	25,992,000	27,860,000	27,860,000	+ 1,868,000	.....
Office of the Under Secretary for Research, Education and Economics.....	520,000	535,000	520,000	.....	-15,000
Economic Research Service.....	53,936,000	54,665,000	53,131,000	-805,000	-1,534,000
National Agricultural Statistics Service.....	81,434,000	89,837,000	81,107,000	-317,000	-8,730,000
Agricultural Research Service.....	714,689,000	709,810,000	705,610,000	-9,079,000	-4,200,000
Human Nutrition Information Service.....	(10,618,000)	.....	.....	.....	.....
Buildings and facilities.....	43,718,000	30,200,000	30,200,000	-13,518,000	.....
Total, Agricultural Research Service.....	758,407,000	740,010,000	735,810,000	-22,597,000	-4,200,000
Cooperative State Research, Education, and Extension Activities.....	433,438,000	432,212,000	389,372,000	-44,066,000	-42,840,000
Research and education activities.....	.....	(4,600,000)	(4,600,000)	(+ 4,600,000)	.....
Native Americans Institutions Endowment Fund.....	62,744,000	.....	.....	-62,744,000	.....
Buildings and facilities.....	438,744,000	437,552,000	413,257,000	-25,487,000	-24,295,000
Extension Activities.....	.....	.....	.....	.....	.....
Total, Cooperative State Research, Education, and Extension Activities.....	934,926,000	869,764,000	802,629,000	-132,297,000	-67,135,000
Office of the Assistant Secretary for Marketing and Regulatory Programs.....	605,000	625,000	605,000	.....	-20,000
Animal and Plant Health Inspection Service: Salaries and expenses.....	443,651,000	430,279,000	433,664,000	-9,987,000	+ 3,385,000
Special fund, user fees 1/.....	(96,660,000)	(100,254,000)	(100,254,000)	(+ 3,594,000)	.....

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget esti- mates, 1996 (3)	Recommended in bill (4)	Bill compared with appro- priated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
Buildings and facilities.....	6,973,000	12,541,000	12,541,000	+ 5,568,000	
Total, Animal and Plant Health Inspection Service.....	450,624,000	442,820,000	446,205,000	-4,419,000	+ 3,385,000
Agricultural Marketing Service:					
Marketing Services.....	56,591,000	50,607,000	46,662,000	-9,929,000	-3,945,000
New user fees.....	(4,452,000)	(3,887,000)	(3,887,000)	(-565,000)	
(Limitation on administrative expenses, from fees collected).....	(57,054,000)	(58,461,000)	(58,461,000)	(+ 1,407,000)	
Funds for strengthening markets, income, and supply (transfer from section 32).....	10,309,000	10,451,000	10,451,000	+ 142,000	
Payments to States and possessions.....	1,200,000	1,200,000	1,000,000	-200,000	
Total, Agricultural Marketing Service.....	68,100,000	62,258,000	58,113,000	-9,987,000	-4,145,000
Grain Inspection, Packers and Stockyards Administration..	23,314,000	23,679,000	23,058,000	-256,000	-621,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected).....	(42,784,000)	(42,784,000)	(42,784,000)		
Office of the Under Secretary for Food Safety.....	516,738,000	580,000	450,000	+ 450,000	-130,000
Food Safety and Inspection Service.....	516,738,000	594,889,000	540,365,000	+ 23,627,000	-54,524,000
Lab accreditation fees 2/.....	(1,000,000)	(1,000,000)	(1,000,000)		
Total, Production, Processing, and Marketing.....	3,178,784,000	3,254,178,000	3,062,196,000	-116,588,000	-191,982,000

Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign					
Agricultural Services	549,000	570,000	549,000	.....	-21,000
Consolidated Farm Service Agency:					
Salaries and expenses	785,217,000	.....	805,888,000	+ 805,888,000	-5,883,000
Agricultural Stabilization and Conservation Service, salaries and expenses	(589,000)	.....	.....	-785,217,000	.....
(Transfer from export loans)	(1,036,000)	(608,000)	(589,000)	.....	(-19,000)
(Transfer from P.L. 480)	(200,227,000)	(745,000)	(745,000)	(-291,000)	.....
(Transfer from ACIF) .....	.....	(214,163,000)	(208,446,000)	(+ 8,219,000)	(-5,717,000)
Total, salaries and expenses	(987,069,000)	(1,027,287,000)	(1,015,668,000)	(+ 28,599,000)	(-11,619,000)
State mediation grants	3,000,000	3,000,000	2,000,000	-1,000,000	-1,000,000
Dairy indemnity program .....	.....	100,000	100,000	+ 100,000	.....
Outreach for socially disadvantaged farmers and ranchers	2,995,000	3,000,000	.....	-2,995,000	-3,000,000
Total, Consolidated Farm Service Agency	791,212,000	817,871,000	807,968,000	+ 16,776,000	-9,883,000
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations .....	.....	.....	.....	.....	.....
Farm ownership loans:	.....	.....	.....	.....	.....
Direct	(78,081,000)	(70,000,000)	(35,000,000)	(-43,081,000)	(-35,000,000)
Guaranteed	(540,674,000)	(540,687,000)	(550,000,000)	(+ 9,326,000)	(+ 9,313,000)
Subtotal	(618,755,000)	(610,687,000)	(585,000,000)	(-33,755,000)	(-25,687,000)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

Agency and item (1)	Appropriated 1995 (enacted to date) (2)	Budget esti- mates, 1996 (3)	Recommended in bill (4)	Bill compared with appro- priated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
Operating loans:					
Direct	(500,000,000)	(542,860,000)	(400,000,000)	(-100,000,000)	(-142,860,000)
Guaranteed unsubsidized	(1,735,000,000)	(1,700,000,000)	(1,700,000,000)	(-35,000,000)	.....
Guaranteed subsidized	(230,000,000)	(200,000,000)	(200,000,000)	(-30,000,000)	.....
Subtotal	(2,465,000,000)	(2,442,860,000)	(2,300,000,000)	(-165,000,000)	(-142,860,000)
Soil and water loans:					
Direct .....	.....	(2,898,000)	.....	.....	(-2,898,000)
Guaranteed .....	.....	(1,422,000)	.....	.....	(-1,422,000)
Subtotal .....	.....	(4,320,000)	.....	.....	(-4,320,000)
Indian tribe land acquisition loans	(1,000,000)	(1,000,000)	(750,000)	(-250,000)	(-250,000)
Emergency disaster loans	(100,000,000)	(100,000,000)	(100,000,000)	.....	.....
Credit sales of acquired property .....	.....	(45,000,000)	(22,500,000)	(+ 22,500,000)	(-22,500,000)
Total, Loan authorizations	(3,184,755,000)	(3,203,867,000)	(3,008,250,000)	(-176,505,000)	(-195,617,000)
Loan subsidies:					
Farm ownership:					
Direct	10,983,000	16,373,000	8,187,000	-2,796,000	-8,186,000
Guaranteed	20,870,000	19,681,000	20,019,000	-851,000	+ 338,000
Subtotal	31,853,000	36,054,000	28,206,000	-3,647,000	-7,848,000

Farm operating:					
Direct	56,555,000	74,209,000	54,680,000	-1,875,000	-19,529,000
Guaranteed unsubsidized	9,360,000	18,360,000	18,360,000	+9,000,000	.....
Guaranteed subsidized	29,425,000	17,960,000	17,960,000	-11,465,000	.....
Subtotal	95,340,000	110,529,000	91,000,000	-4,340,000	-19,529,000
Soil and water loans:					
Direct .....	.....	608,000	.....	.....	-608,000
Guaranteed .....	.....	30,000	.....	.....	-30,000
Subtotal .....	.....	638,000	.....	.....	-638,000
Indian tribe land acquisition	123,000	274,000	206,000	+83,000	-68,000
Emergency disaster	26,290,000	32,080,000	32,080,000	+5,790,000	.....
Credit sales of acquired property .....	.....	8,226,000	4,113,000	+4,113,000	-4,113,000
Negative subsidies	-782,000	-296,000	.....	+782,000	+296,000
Total, Loan subsidies	152,824,000	187,505,000	155,605,000	+2,781,000	-31,900,000
ACIF expenses:					
Salaries and expenses	229,735,000	214,652,000	208,935,000	-20,800,000	-5,717,000
Administrative expenses	14,031,000	12,606,000	12,606,000	-1,425,000	.....
Total, ACIF expenses	243,766,000	227,258,000	221,541,000	-22,225,000	-5,717,000
Total, Agricultural Credit Insurance Fund	396,590,000	414,763,000	377,146,000	-19,444,000	-37,617,000
(Loan authorization)	(3,184,755,000)	(3,203,867,000)	(3,008,250,000)	(-176,505,000)	(-195,617,000)
Total, Farm Assistance Programs	1,188,351,000	1,233,204,000	1,185,683,000	-2,668,000	-47,521,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appro- priated, 1995	(6) Bill compared with budget estimates, 1996
CORPORATIONS					
Federal Crop Insurance Corporation:					
Federal crop insurance corporation fund	219,107,000	1,263,708,000	1,263,708,000	+ 1,044,601,000	.....
Commodity Credit Corporation:					
Reimbursement for net realized losses	15,500,000,000	10,400,000,000	10,400,000,000	-5,100,000,000	.....
Hazardous waste (limitation on administrative expenses)	(5,000,000)	(5,000,000)	(5,000,000)	.....	.....
Borrowing authority (emergency)	1,000,000,000	.....	.....	-1,000,000,000	.....
Total, Corporations	16,719,107,000	11,663,708,000	11,663,708,000	-5,055,399,000	.....
Total, title I, Agricultural Programs	21,086,242,000	16,151,090,000	15,911,587,000	-5,174,655,000	-239,503,000
(By transfer)	(201,852,000)	(215,516,000)	(209,780,000)	(+ 7,928,000)	(-5,736,000)
(Loan authorization)	(3,184,755,000)	(3,203,867,000)	(3,008,250,000)	(-176,505,000)	(-195,617,000)
(Limitation on administrative expenses)	(104,838,000)	(106,245,000)	(106,245,000)	(+ 1,407,000)	.....
TITLE II - CONSERVATION PROGRAMS					
Office of the Under Secretary for Natural Resources and Environment	677,000	696,000	677,000	.....	-19,000
Natural Resource Conservation Service:					
Conservation operations	556,062,000	645,735,000	629,986,000	+ 73,924,000	-15,749,000
River basin surveys, investigations, and watershed planning .....	.....	.....	14,000,000	+ 14,000,000	+ 14,000,000
River basin surveys and investigations	12,970,000	11,210,000	.....	-12,970,000	-11,210,000

Watershed planning	7,542,000	.....	-10,546,000	-7,542,000
Watershed and flood prevention operations	100,000,000	100,000,000	+ 30,000,000	.....
Resource conservation and development, Great Plains conservation program, forestry incentives program, and Colorado River Basin salinity control program .....	.....	47,000,000	+ 47,000,000	+ 47,000,000
Resource conservation and development	28,900,000	.....	-32,845,000	-28,900,000
Great Plains conservation program	11,000,000	.....	-15,172,000	-11,000,000
Forestry incentives program	6,625,000	.....	-6,625,000	-6,625,000
Colorado River Basin salinity control program	2,681,000	.....	-4,500,000	-2,681,000
Wetlands reserve program	210,000,000	77,000,000	-16,200,000	-133,000,000
Total, Natural Resource Conservation Service	801,920,000	867,986,000	+ 66,066,000	-155,707,000
Consolidated Farm Service Agency:				
Agricultural conservation program	100,000,000	75,000,000	-25,000,000	+ 25,000,000
Water quality incentives program	(15,000,000)	(11,000,000)	(-4,000,000)	(-4,000,000)
Emergency conservation program	3,000,000	.....	.....	-3,000,000
Conservation reserve program	1,743,274,000	1,781,785,000	+ 38,511,000	-144,585,000
Total, Consolidated Farm Service Agency	1,843,274,000	1,856,785,000	+ 13,511,000	-122,585,000
Total, title II, Conservation Programs	2,645,871,000	2,725,448,000	+ 79,577,000	-278,311,000
TITLE III - RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS				
Office of the Under Secretary for Rural Economic and Community Development	568,000	568,000	.....	-18,000

**COMPARATIVE STATEMENTS OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appro- priated, 1995	(6) Bill compared with budget estimates, 1996
Rural Housing and Community Development Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Low-income housing (sec. 502)	(1,200,000,000)	(1,200,000,000)	(900,000,000)	(-300,000,000)	(-300,000,000)
Unsubsidized guaranteed	(1,000,000,000)	(1,300,000,000)	(1,500,000,000)	(+ 500,000,000)	(+ 200,000,000)
Housing repair (sec. 504)	(35,000,000)	(35,000,000)	(35,000,000)	.....	.....
Farm labor (sec. 514)	(15,915,000)	(16,482,000)	(15,000,000)	(-915,000)	(-1,482,000)
Rental housing (sec. 515)	(220,000,000)	(220,000,000)	(150,000,000)	(-70,000,000)	(-70,000,000)
Site loans (sec. 524)	(632,000)	(632,000)	(600,000)	(-32,000)	(-32,000)
Credit sales of acquired property .....	.....	(75,000,000)	(35,000,000)	(+ 35,000,000)	(-40,000,000)
Total, Loan authorizations	(2,471,547,000)	(2,847,114,000)	(2,635,600,000)	(+ 164,053,000)	(-211,514,000)
Loan subsidies:					
Single family (sec. 502):					
Direct	227,520,000	251,880,000	188,910,000	-38,610,000	-62,970,000
Unsubsidized guaranteed	17,200,000	2,210,000	2,550,000	-14,650,000	+ 340,000
Housing repair (sec. 504)	11,690,000	14,193,000	14,193,000	+ 2,503,000	.....
Farm labor (sec. 514)	7,911,000	9,482,000	8,629,000	+ 718,000	-853,000
Rental housing (sec. 515):					
Direct	115,500,000	92,973,000	82,035,000	-33,465,000	-10,938,000
Unsubsidized guaranteed	(1,000,000)	.....	.....	(-1,000,000)	.....
Credit sales of acquired property .....	.....	13,073,000	6,100,000	+ 6,100,000	-6,973,000
Total, Loan subsidies	379,821,000	383,811,000	302,417,000	-77,404,000	-81,594,000

RHIF administrative expenses.....	389,818,000	395,211,000	390,211,000	+ 393,000	-5,000,000
Rental assistance:					
(Sec. 521).....	517,108,000	565,583,000	530,000,000	+ 12,892,000	-35,583,000
(Sec. 502(c)(5)(D)).....	5,900,000	5,900,000	5,900,000		
Total, Rental assistance.....	523,008,000	571,483,000	535,900,000	+ 12,892,000	-35,583,000
Total, Rural Housing Insurance Fund.....	1,292,647,000	1,350,505,000	1,278,528,000	-64,119,000	-121,977,000
(Loan authorization).....	(2,471,547,000)	(2,847,114,000)	(2,635,600,000)	(+ 164,053,000)	(-211,514,000)
Self-Help Housing Land Development Fund:					
Loan authorization.....	(603,000)	(603,000)	(603,000)		
Loan subsidy.....	11,000	31,000	31,000	+ 20,000	
Administrative expenses.....	14,000			-14,000	
Rural Community Facility Loans Program Account:					
Loan authorizations:					
Direct 3/.....	(225,000,000)	(250,000,000)	(200,000,000)	(-25,000,000)	(-50,000,000)
Guaranteed 3/.....	(75,000,000)	(100,000,000)	(75,000,000)		(-25,000,000)
Total, Loan authorizations.....	(300,000,000)	(350,000,000)	(275,000,000)	(-25,000,000)	(-75,000,000)
Loan subsidies:					
Direct 3/.....	21,275,000	(43,600,000)	34,880,000	+ 13,505,000	+ 34,880,000
Guaranteed 3/.....	3,728,000	(4,740,000)	3,555,000	-173,000	+ 3,555,000
Total, Loan subsidies.....	25,103,000		38,435,000	+ 13,332,000	+ 38,435,000
Administrative expenses 3/.....		(11,247,000)	8,836,000	+ 8,836,000	+ 8,836,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget esti- mates, 1996 (3)	Recommended in bill (4)	Bill compared with appro- priated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
Very low-income housing repair grants.....	24,900,000	24,900,000	24,900,000		
Rural housing for domestic farm labor.....	10,900,000	10,900,000	10,000,000	-900,000	-900,000
Mutual and self-help housing.....	12,650,000	12,650,000	12,650,000		
Supervisory and technical assistance grants.....		2,500,000			-2,500,000
Rural community fire protection grants 3/.....	3,400,000	(3,400,000)	1,000,000	-2,400,000	+1,000,000
Compensation for construction defects.....	495,000	495,000	495,000		
Rural housing preservation grants.....	22,000,000	22,000,000	11,000,000	-11,000,000	-11,000,000
Rural housing performance partnerships program.....		90,602,000			-90,602,000
Subtotal, grants and payments.....	74,345,000	164,047,000	60,045,000	-14,300,000	-104,002,000
RHCDS expenses:					
Administrative expenses.....		53,650,000	53,315,000	+335,000	-335,000
(Transfer from RHIF).....	(389,818,000)	(382,074,000)	(377,074,000)	(-12,744,000)	(-5,000,000)
(Transfer from ACIF).....		(171,000)	(171,000)	(+171,000)	
(Transfer from RCFLP).....		(11,114,000)	(8,731,000)	(+8,731,000)	(-2,383,000)
Total, RHCDS expenses.....	(389,818,000)	(447,009,000)	(439,291,000)	(+49,473,000)	(-7,718,000)
Total, Rural Housing and Community Development Service.....	1,392,120,000	1,568,233,000	1,389,190,000	-2,930,000	-179,043,000
(Loan authorization).....	(2,772,150,000)	(3,197,717,000)	(2,911,203,000)	(+139,053,000)	(-286,514,000)

Rural Business and Cooperative Development Service:					
Rural Business and Industry Loans Program Account:					
Loan authorizations:					
Direct 3/	(50,000,000)	(50,000,000)			(-50,000,000)
Guaranteed 3/	(750,000,000)	(500,000,000)			(-250,000,000)
Total loan authorizations:	(800,000,000)	(500,000,000)			(-300,000,000)
Loan subsidies:					
Direct 3/	(3,505,000)				
Guaranteed 3/	(6,825,000)	6,437,000		+1,687,000	+6,437,000
Total Loan subsidies:					
		6,437,000		+1,687,000	+6,437,000
Administrative expenses 3/	(19,742,000)	14,868,000		+14,868,000	+14,868,000
Rural Development Loan Fund Program Account:					
(Loan authorization) 3/					
Loan subsidy 3/	(88,038,000)	(60,000,000)		(-28,038,000)	(-30,000,000)
Administrative expenses 3/	46,000,000	35,790,000		-10,210,000	+35,790,000
	1,476,000	1,792,000		+316,000	+1,792,000
Total, Rural Development Loan Fund	47,476,000	37,582,000		-9,894,000	+37,582,000
(Loan authorization)	(88,038,000)	(60,000,000)		(-28,038,000)	(-30,000,000)
Rural Economic Development Loans Program Account:					
Direct loans (limitation on obligations)					
Direct subsidy	(12,865,000)	(12,865,000)			(-1,226,000)
Administrative expenses	3,077,000	3,729,000		+652,000	-356,000
		584,000		+584,000	-280,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget esti- mates, 1996 (3)	Recommended in bill (4)	Bill compared with appro- priated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
Alternative Agricultural Research and					
Commercialization Revolving Fund.....	6,500,000	8,000,000	5,000,000	-1,500,000	-3,000,000
Loan authorization.....	.....	(25,000,000)	.....	.....	(-25,000,000)
Loan subsidy.....	.....	7,138,000	.....	.....	-7,138,000
Administrative expenses.....	.....	500,000	.....	.....	-500,000
Rural business enterprise grants 3/.....	47,500,000	(48,000,000)	45,000,000	-2,500,000	+45,000,000
Rural technology and cooperative development grants 3/.....	1,750,000	(3,800,000)	1,500,000	-250,000	+1,500,000
Local technical assistance and planning grants 3/.....	1,750,000	(2,500,000)	.....	-1,750,000	.....
Rural business performance partnerships program.....	.....	112,315,000	.....	.....	-112,315,000
RBCDS expenses:					
Salaries and expenses 3/.....	57,294,000	(9,589,000)	9,520,000	-47,774,000	+9,520,000
Salaries and expenses, FmHA.....	37,811,000	.....	.....	-37,811,000	.....
Rural business performance partnerships program.....	.....	61,874,000	.....	.....	-61,874,000
(Transfer from RBILP).....	.....	(19,582,000)	(14,747,000)	(+14,747,000)	(-4,835,000)
(Transfer from RDLFP).....	(1,476,000)	(2,948,000)	(1,784,000)	(+308,000)	(-1,164,000)
(Transfer from RETLP).....	.....	(864,000)	(584,000)	(+584,000)	(-280,000)
Self-Help HILDF (by transfer).....	(14,000)	.....	.....	(-14,000)	.....
RBCDS (by transfer).....	.....	(32,119,000)	.....	.....	(-32,119,000)
Total, RBCDS expenses.....	(96,595,000)	(117,387,000)	(26,635,000)	(-69,960,000)	(-90,752,000)

Total, Rural Business and Cooperative Development Service.....	207,908,000	194,776,000	124,220,000	-83,688,000	-70,556,000
(By transfer).....	(1,490,000)	(55,513,000)	(17,115,000)	(+ 15,625,000)	(-38,998,000)
(Loan authorization).....	(588,038,000)	(915,000,000)	(560,000,000)	(-28,038,000)	(-355,000,000)
Rural Utilities Service:					
Loan authorizations:					
Water and waste disposal facility loans: Direct	(905,523,000)			(-905,523,000)	
Loan subsidies:					
Water and sewer: Direct.....	126,502,000			-126,502,000	
Rural Electrification and Telephone Loans Program					
Account:					
Loan authorizations:					
Direct loans:					
Electric 5%.....	(100,000,000)	(100,000,000)	(90,000,000)	(-10,000,000)	(-10,000,000)
Telephone 5%.....	(75,000,000)	(75,000,000)	(70,000,000)	(-5,000,000)	(-5,000,000)
Subtotal	(175,000,000)	(175,000,000)	(160,000,000)	(-15,000,000)	(-15,000,000)
Treasury rate: Telephone.....	(297,000,000)	(300,000,000)	(300,000,000)	(+ 3,000,000)	
Muni-rate: Electric.....	(575,250,000)	(575,250,000)	(500,000,000)	(-75,250,000)	(-75,250,000)
FFB loans:					
Electric, regular.....	(300,000,000)	(400,000,000)	(300,000,000)		(-100,000,000)
Telephone	(120,000,000)	(120,000,000)	(120,000,000)		
Subtotal	(420,000,000)	(520,000,000)	(420,000,000)		(-100,000,000)
Total, Loan authorizations.....	(1,467,250,000)	(1,570,250,000)	(1,380,000,000)	(-87,250,000)	(-190,250,000)

**COMPARATIVE STATES OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appo- priated, 1995	(6) Bill compared with budget estimates, 1996
Loan subsidies:					
Direct loans:					
Electric 5%.....	9,703,000	23,520,000	21,168,000	+ 11,465,000	-2,352,000
Telephone 5%	5,497,000	14,955,000	13,938,000	+ 8,461,000	-997,000
Subtotal	15,200,000	38,475,000	35,126,000	+ 19,926,000	-3,349,000
Treasury rate: Telephone.....	60,000	60,000	60,000		
Mini-rate, electric.....	46,020,000	62,300,000	54,150,000	+ 8,130,000	-8,150,000
FFB loans: Electric, regular.....	450,000	3,360,000	2,520,000	+ 2,070,000	-840,000
Negative subsidy		-1,715,000			+ 1,715,000
Total, Loan subsidies.....	61,730,000	102,480,000	91,856,000	+ 30,126,000	-10,624,000
RETLP administrative expenses	29,982,000	34,385,000	29,982,000		-4,403,000
Total, Rural Electrification and Telephone Loans Program Account.....	91,712,000	136,865,000	121,838,000	+ 30,126,000	-15,027,000
(Loan authorization)	(1,467,250,000)	(1,570,250,000)	(1,380,000,000)	(-87,250,000)	(-190,250,000)
Rural Telecommunication Partnership Loan Program Account:					
Loan authorization		(15,000,000)			(-15,000,000)
Loan subsidy		594,000			-594,000

Administrative expenses.....	1,110,000				-1,110,000
Total	1,704,000				-1,704,000
Rural Telephone Bank Program Account:					
Direct loans (limitation on obligations).....	(175,000,000)				(+ 175,000,000)
Direct loan subsidy.....	770,000				+ 770,000
RTB salaries and expenses.....	8,794,000				+ 3,541,000
Distance Learning and Medical Link Grants.....	7,500,000				-7,500,000
Rural water and waste disposal grants.....	500,000,000				
Solid waste management grants.....	2,995,000				
Rural utilities performance partnerships program.....					
Solid waste management grants, rural water and waste disposal grants, and water and waste disposal facility loans (administrative expenses).....					
					-223,183,000
RUS salaries and expenses	12,740,000				+ 12,740,000
Electric and telephone loans (by transfer).....	19,627,000				-416,000
Rural telephone bank (by transfer).....	(34,385,000)				(-4,403,000)
Water and waste disposal loans (by transfer).....	(8,794,000)				(+ 3,541,000)
Rural Telecommunication Partnership Loan (by transfer).....	(17,790,000)				(-17,790,000)
Agricultural Credit Insurance Fund (by transfer).....	(1,110,000)				(-1,110,000)
Rural partnership (by transfer).....	(318,000)				
					(+ 12,623,000)
Subtotal	(73,230,000)				(-7,555,000)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget esti- mates, 1996 (3)	Recommended in bill (4)	Bill compared with appro- priated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
Total, Rural Utilities Service.....	738,273,000	958,379,000	727,600,000	-10,673,000	-230,779,000
(By transfer).....	(38,776,000)	(53,603,000)	(46,464,000)	(+7,688,000)	(-7,139,000)
(Loan authorization).....	(2,372,773,000)	(1,585,250,000)	(1,380,000,000)	(-992,773,000)	(-205,250,000)
(Limitation on obligations).....	(175,000,000)	.....	(175,000,000)	.....	(+175,000,000)
Total, title III, Rural Economic and Community Development Programs.....	2,338,869,000	2,721,974,000	2,241,578,000	-97,291,000	-480,396,000
(By transfer).....	(430,084,000)	(502,475,000)	(449,555,000)	(+19,471,000)	(-52,920,000)
(Loan authorization).....	(5,732,961,000)	(5,697,967,000)	(4,851,203,000)	(-881,758,000)	(-846,764,000)
(Limitation on obligations).....	(187,865,000)	(14,091,000)	(187,865,000)	.....	(+173,774,000)
TITLE IV - DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services.....	540,000	553,000	440,000	-100,000	-113,000
Food and Consumer Service:					
Child nutrition programs.....	2,202,274,000	2,399,942,000	2,354,566,000	+152,292,000	-45,376,000
Transfer from section 32.....	5,249,077,000	5,520,492,000	5,597,858,000	+348,781,000	+77,366,000
Total, Child nutrition programs.....	7,451,351,000	7,920,434,000	7,952,424,000	+501,073,000	+31,990,000
Special milk program.....	18,089,000	.....	.....	-18,089,000	.....
Special supplemental nutrition program for women, infants, and children (WIC).....	3,470,000,000	3,820,000,000	3,729,807,000	+259,807,000	-90,193,000
(By transfer).....	.....	.....	(4,000,000)	(+4,000,000)	(+4,000,000)
Commodity supplemental food program.....	84,500,000	86,000,000	.....	-84,500,000	-86,000,000

Food stamp program:					
Expenses.....	25,187,710,000	26,119,887,000	25,954,828,000	+ 767,118,000	-165,059,000
Reserve.....	2,500,000,000	2,500,000,000	.....	-2,500,000,000	-2,500,000,000
Nutrition assistance for Puerto Rico	1,130,528,000	1,143,000,000	1,143,000,000	+ 12,472,000	.....
Cattle tick eradication.....	12,472,000	.....	.....	-12,472,000	.....
Total, Food stamp program.....	28,830,710,000	29,762,887,000	27,097,828,000	-1,732,882,000	-2,665,059,000
Food donations programs for selected groups:					
Needy family program.....	33,154,000	78,639,000	65,000,000	+ 31,846,000	-13,639,000
Elderly feeding program.....	150,000,000	151,250,000	150,000,000	.....	-1,250,000
Subtotal	183,154,000	229,889,000	215,000,000	+ 31,846,000	-14,889,000
Soup kitchens.....	40,000,000	40,000,000	.....	-40,000,000	-40,000,000
Total, Food donations programs.....	223,154,000	269,889,000	215,000,000	-8,154,000	-54,889,000
The emergency food assistance program.....	40,000,000	40,000,000	.....	-40,000,000	-40,000,000
Commodity purchases - TEFAP.....	25,000,000	.....	.....	-25,000,000	.....
Commodity assistance program .....	.....	.....	168,000,000	+ 168,000,000	+ 168,000,000
Total, The emergency food assistance program	65,000,000	40,000,000	168,000,000	+ 103,000,000	+ 128,000,000
Nutrition Initiatives:					
Nutrition support.....	.....	45,526,000	.....	.....	-45,526,000
Nutrition promotion.....	.....	4,218,000	.....	.....	-4,218,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appro- priated, 1995	(6) Bill compared with budget estimates, 1996
Food program administration	106,465,000	141,360,000	108,323,000	+1,858,000	-33,037,000
Total, Food and Consumer Service	40,249,269,000	42,090,314,000	39,271,382,000	-977,887,000	-2,818,932,000
Total, title IV, Domestic Food Programs	40,249,809,000	42,090,867,000	39,271,822,000	-977,987,000	-2,819,045,000
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service, direct appropriation	108,880,000	120,201,000	114,547,000	+5,667,000	-5,654,000
(Transfer from Commodity Credit Corporation)	(4,914,000)	(5,176,000)	(5,176,000)	(+262,000)	
(Transfer from export loans)	(2,792,000)	(3,137,000)	(2,792,000)		(-345,000)
(Transfer from P.L. 480)	(1,425,000)	(1,005,000)	(1,005,000)	(-420,000)	
Total, Program level	(118,011,000)	(129,519,000)	(123,520,000)	(+5,509,000)	(-5,999,000)
Scientific activities overseas (foreign currency program) (limitation on administrative expenses)	(1,062,000)			(-1,062,000)	
Public Law 480 Program Account:					
Title I - Credit sales:					
Program level	(320,342,000)	(177,957,000)	(316,342,000)	(-4,000,000)	(+138,385,000)
Direct loans	(291,342,000)	(161,540,000)	(291,342,000)		(+129,802,000)
Ocean freight differential	29,000,000	16,417,000	25,000,000	-4,000,000	+8,583,000

Title II - Commodities for disposition abroad:					
Program level.....	(821,100,000)	(795,703,000)	(821,100,000)		(+ 25,397,000)
Appropriation.....	821,100,000	795,703,000	821,100,000		+ 25,397,000
Title III - Commodity grants:					
Program level.....	(157,442,000)	(50,000,000)	(50,000,000)	(-107,442,000)	
Appropriation.....	157,442,000	50,000,000	50,000,000	-107,442,000	
Loan subsidies.....	236,162,000	131,833,000	236,162,000		+ 104,329,000
Debt restructuring.....		1,500,000			-1,500,000
Salaries and expenses:					
General Sales Manager.....	1,425,000	1,005,000	1,005,000	-420,000	
CFSA.....	1,036,000	745,000	745,000	-291,000	
Subtotal.....	2,461,000	1,750,000	1,750,000	-711,000	
Total, Public Law 480:					
Program level.....	(1,298,884,000)	(1,023,660,000)	(1,187,442,000)	(-111,442,000)	(+ 163,782,000)
Appropriation.....	1,246,165,000	997,203,000	1,134,012,000	-112,153,000	+ 134,809,000
CCC Export Loans Program Account:					
Loan guarantees:					
Short-term export credit.....	(5,000,000,000)	(5,200,000,000)	(5,200,000,000)	(+ 200,000,000)	
Intermediate export credit.....	(500,000,000)	(500,000,000)	(500,000,000)		
Emerging democracies export credit.....	(200,000,000)			(-200,000,000)	
Loan subsidy.....	394,393,000	374,347,000	374,347,000	-20,046,000	
Salaries and expenses (Export Loans):					
General Sales Manager.....	2,792,000	3,137,000	2,792,000		-345,000
ASCS.....	589,000	608,000	589,000		-19,000
Total, CCC Export Loans Program Account.....	397,774,000	378,092,000	377,728,000	-20,046,000	-364,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appro- priated, 1995	(6) Bill compared with budget estimates, 1996
Total, title V, Foreign assistance and related programs	1,752,819,000	1,495,496,000	1,626,287,000	-126,532,000	+130,791,000
(By transfer)	(9,131,000)	(9,318,000)	(8,973,000)	(-158,000)	(-345,000)
TITLE VI - RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation?	819,971,000	828,999,000	819,971,000		-9,028,000
Prescription drug user fee act	(79,423,000)	(84,723,000)	(84,723,000)	(+5,300,000)	
Mammography clinics user fee	(6,500,000)	(13,000,000)	(13,000,000)	(+6,500,000)	
New user fees		(38,740,000)			(-38,740,000)
Total, Program level	(905,894,000)	(965,462,000)	(917,694,000)	(+11,800,000)	(-47,768,000)
Buildings and facilities	18,150,000	8,350,000	15,350,000	-2,800,000	+7,000,000
Rental payments	46,294,000	46,294,000	46,294,000		
Total, Food and Drug Administration	884,415,000	883,643,000	881,615,000	-2,800,000	-2,028,000
DEPARTMENT OF THE TREASURY					
Financial Management Service: Payments to the farm credit system financial assistance corporation	57,026,000	15,453,000	15,453,000	-41,573,000	

INDEPENDENT AGENCIES					
Commodity Futures Trading Commission.....	49,144,000	59,711,000	49,144,000	.....	-10,567,000
Farm Credit Administration (limitation on administrative expenses).....	(40,420,000)	(39,900,000)	.....	(-40,420,000)	(-39,900,000)
Total, title VI, Related Agencies and Food and Drug Administration.....	990,585,000	958,807,000	946,212,000	-44,373,000	-12,595,000
(Limitation on administrative expenses)	(40,420,000)	(39,900,000)	.....	(-40,420,000)	(-39,900,000)
Grand total:					
New budget (obligational) authority	69,064,195,000	66,421,993,000	62,722,934,000	-6,341,261,000	-3,699,059,000
(By transfer).....	(641,067,000)	(727,309,000)	(672,308,000)	(+ 31,241,000)	(-55,001,000)
(Loan authorization).....	(14,617,716,000)	(14,601,834,000)	(13,559,453,000)	(-1,058,263,000)	(-1,042,381,000)
(Limitation on administrative expenses)	(146,320,000)	(146,145,000)	(106,245,000)	(-40,075,000)	(-39,900,000)
(Limitation on obligations)	(187,865,000)	(14,091,000)	(187,865,000)	.....	(+ 173,774,000)
RECAPITULATION					
Title I - Agricultural programs	21,086,242,000	16,151,090,000	15,911,587,000	-5,174,655,000	-239,503,000
Title II - Conservation programs.....	2,645,871,000	3,003,759,000	2,725,448,000	+ 79,577,000	-278,311,000
Title III - Farmers Home and Rural development programs	2,338,869,000	2,721,974,000	2,241,578,000	-97,291,000	-480,396,000
Title IV - Domestic food programs	40,249,809,000	42,090,867,000	39,271,822,000	-977,987,000	-2,819,045,000
Title V - Foreign assistance and related programs.....	1,752,819,000	1,495,496,000	1,626,287,000	-126,532,000	+ 130,791,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appro- priated, 1995	(6) Bill compared with budget estimates, 1996
Title VI - Related agencies and Food and Drug Administration	990,585,000	958,807,000	946,212,000	-44,373,000	-12,595,000
Total, new budget (obligational) authority	69,064,195,000	66,421,993,000	62,722,934,000	-6,341,261,000	-3,699,059,000

1/ Such sums as available from AQI user fee account for FY 1996.

2/ In addition to appropriation.

3/ On 5/2/95 the Administration amended its FY 1996 request (H.Doc. 104-63). This table reflects the program levels as submitted in the original budget.

ADDITIONAL VIEWS OF HON. RICHARD DURBIN

The Agriculture Appropriations bill submitted to the House includes a provision which will significantly delay an important food safety initiative to reduce illness and death caused by food borne pathogens such as E. coli bacteria. Reforms to our food safety inspection system are essential to prevent tragic outbreaks of food borne disease. USDA has estimated that food borne pathogens in contaminated meat and poultry have caused 5 million illnesses and 4,000 deaths each year.

In February 1995, USDA initiated a proposed rulemaking on Pathogen Reduction; Hazard Analysis Critical Control Points Systems. Implementation of HACCP has the potential to provide significant improvements to food safety and increase consumer confidence in meat and poultry products.

Although there is broad support among producers, packers, processors and consumers for a science based HACCP system, important questions have been raised about some of the requirements and the cost of the proposed rule, particularly for small packers and processors. FSIS must give these issues careful consideration.

Due to the complexity and importance of this rulemaking, FSIS has made an extraordinary effort to ensure that all interested parties have an opportunity to participate in the rulemaking process. FSIS has already conducted numerous informational briefings, technical conferences and public meetings on this proposal. FSIS has also extended the public comment period, which doesn't close until next month, to provide a total of 150 days. In addition, FSIS has scheduled a public forum in August to give interested parties an opportunity to discuss the issues raised by the proposed rule. Now, however, a small group of packers and processors want to stop this public rulemaking process and replace it with a "negotiated rulemaking" dominated by a few interest groups.

The Secretary of Agriculture has estimated that the negotiated rulemaking required by the bill will delay implementation of Pathogen Reduction; HACCP regulation by at least two and a half years. Although the bill requires the committee appointed for the negotiated rulemaking to issue a report within nine months of the enactment of the bill, USDA estimates that compliance with the requirements of the negotiated rulemaking statute would require at least one year. USDA will then be required to publish any recommendations from the committee and go through a full rule-making process again.

Delaying modernization of our meat and poultry inspection system invites human tragedy which can be avoided. The interest groups which have forced this delaying language risk public contempt if another food poisoning tragedy occurs because of their action. This committee has made a serious error in aligning itself with a strategy which could endanger thousands of American families.

DICK DURBIN.

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REPORT

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES, 1996

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